

January 16, 2012

Ms. Kirstin Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

**Re: Outstanding Response to Interrogatories - 2012 IRM Rate Application EB-2011-0196**

Dear Ms. Walli:

Please find enclosed outstanding responses to Board staff's interrogatories with respect to the application and evidence (the "Application") submitted by St. Thomas Energy Inc. ("St. Thomas") for new rates under Third Generation Incentive Regulation Mechanism, effective May 1, 2012.

St Thomas has now completed all of the outstanding interrogatories from Board Staff IR's listed below.

Board Staff IR#
5 a,b
7b
8bi,biii,c
9b
10
11
12a,b
13
14
15
16
17

This document is being filed pursuant to the Board's e-Filing Services.

Yours Truly,

A handwritten signature in dark ink, appearing to be 'B. Hollywood', with a long horizontal flourish extending to the right.

Brian Hollywood  
President & CEO

## Response to Board Staff Interrogatories - Outstanding

### Board Staff Interrogatories

#### 2012 IRM3 Electricity Distribution Rates St. Thomas Energy Inc. ("St. Thomas") EB-2011-0196

#### Account 1521 – Special Purpose Charge ("SPC")

#### 5. Ref: Manager's Summary, Exhibit 1, Tab 3, Schedule 2

- a) Please confirm St. Thomas' SPC assessment amount and provide a copy of the original SPC invoice.

St Thomas Reply:

Please refer to attached document.

- b) Please complete the following table related to the SPC.

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Year End Carrying Charges Balance	Forecasted Carrying Charges for 2012 (Jan.1 to Apr.30)	Total for Disposition (Principal & Interest)
\$131,141.00	\$(55,344.48)	\$402.14	\$75,796.52	\$402.14	\$(69,609.21)	\$345.56	\$6,187.31	\$747.70	\$30.88	\$6,965.89

St Thomas Reply:

Please refer to above table.

**Account 1562 – Deferred PILs**

**7. Ref: Continuity Schedule - STEI 2012 IRM ED Disposition 1562 Balance.xls/  
Tab E1.1 Disp of 1562 Balance**

**PILs Proxy Entitlement**

In its PILs 1562 continuity schedule, St. Thomas recorded its entitlement to the 2001 PILs proxy starting on October 1, 2001 and the 2002 PILs proxy on January 1, 2002.

The following information has been quoted from the Board's decision in St. Thomas' 2002 application RP-2002-0100/ EB-2002-0109.

*"AND IN THE MATTER OF an Application by St. Thomas Energy Inc. for an order or orders approving or fixing just and reasonable rates.*

From Page 5

*The Board notes that the Applicant has requested to recover unbilled MARR revenue of \$102,138 for the period April 1, 2001 to September 30, 2001. This request is in effect asking the Board to vary an earlier decision, but no evidence has been provided to justify changing this decision. Also, this appears to be, prima facie, out of period. Therefore, the Board denies the request to recover the requested unbilled MARR revenue.*

From Page 6

*The Board also notes that the Applicant has requested a deferral account to record lost revenue for the period March 1, 2002 to September 1, 2002 (or implementation date of new rates) resulting from the delay and processing of the current application.*

*The Board notes that the application was first filed on June 27, 2002 and a revised application was filed on August 28, 2002. Given this, the Board considers the application to be complete as of August 28, 2002. The Board needs a reasonable amount of time to review, analyse, decide and process rates applications and therefore finds, in this case, an effective date of November 1, 2002 to be reasonable. Since the effective date for the new rates is prospective, a deferral account is not needed. Therefore, the Board denies the request for this deferral account.*

*The Board adjusts the 2002 Payments in Lieu of Taxes (PILs) amount by \$61,282 to reflect the Board's findings contained herein.*

1     *Subject to these adjustments, the Board finds that the Applicant's proposals in the*  
2     *Revised Application conform with the Board's earlier decisions, directives and*  
3     *guidelines and the resulting rates are just and reasonable."*  
4

5  
6     b) Did St. Thomas implement its rate order before November 11, 2002, the date that  
7     Bill 210 came into force? By the term "implement" staff means were invoices  
8     issued to customers using the new rates effective November 1, 2002 before the  
9     date of November 11, 2002?  
10

11     St Thomas Reply:  
12

13     Referring to the definition of "implement" as noted above St. Thomas Energy Inc. did  
14     not nor could not have issued invoices to customers using the new rates effective  
15     November 1, 2002 before November 11, 2002.  
16  
17

1 **8. Amounts Billed to Customers**

2  
3  
4 b) Billing Frequency

- 5  
6 i. Did St. Thomas bill monthly or bi-monthly during the period from 2002 to  
7 2006?

8  
9 St Thomas Reply:

10  
11 St. Thomas Energy Inc. billed customers monthly during the period of 2002 to 2006.

- 12  
13  
14 iii. How were the numbers of customers determined in each of the years in  
15 the recovery worksheets?

16  
17 St Thomas Reply:

18  
19 Customer numbers were determined in each of the years based on actual customer  
20 billings that occurred in each year. For example 6,609 residential customers (based  
21 on the November to December period) were billed in the 2002 year.

22  
23  
24 c) Unbilled Revenue Accrual

25  
26 St. Thomas stated in Exh.1/Tab3/Sch.3/pg2/ln8-12 that,

27  
28 *“Collections from customers have been defined as the amounts billed to*  
29 *customers. St. Thomas confirms that amounts which at the time would have*  
30 *been included in unbilled revenue accruals have now been included in*  
31 *collections.”*

32  
33 Please explain how St. Thomas determined the PILs amounts associated with  
34 unbilled revenue accrual as at April 30, 2006 and how this was included in the  
35 various Excel worksheets.  
36  
37  
38  
39

St Thomas Reply:

St. Thomas Energy determined the unbilled revenue accrual as at April 30, 2006 therefore this adjustment was included in Tab C1.7 of the STEI 2012 IRM ED Disposition 1562 Balance spreadsheet. Up until that determination all billing determinants and associated rates were based on actual customer billings (i.e. not accrued). St. Thomas was able to make the unbilled revenue accrual determination based on effective dates for rates contained within its Customer Information System. Only rates effective up until April 30, 2006, that occurred for customer billings after April 2006, were included.

1 **9. 2001 SIMPIL**  
2  
3

- 4 b) Interest expense appears on the income statement but no actual interest  
5 was entered on sheet TAXCALC. According to St. Thomas' financial  
6 statements, interest expense consists of interest on long-term debt and  
7 customer deposits. Interest on long-term debt for 2001 was restated in  
8 2004.  
9

10 Please explain why actual interest was not entered for the true-up calculation on  
11 TAXCALC and correct the SIMPIL model.  
12

13 St Thomas Reply:

14 This was overlooked and has been corrected. An amended model is submitted with  
15 this response.  
16  
17



**10. 2002 SIMPIL**

Interest expense appears on the income statement but no actual interest was entered on sheet TAXCALC. According to St. Thomas' financial statements, interest expense consists of interest on long-term debt and customer deposits. Interest on long-term debt for 2002 was restated in 2004.

Please explain why actual interest was not entered for the true-up calculation on TAXCALC and correct the SIMPIL model.

**St Thomas Reply:**

This was overlooked and has been corrected. An amended model is submitted with this response.

1 **11. 2003 SIMPIL**

2 Interest expense appears on the income statement but no actual interest was entered  
3 on sheet TAXCALC. According to St. Thomas' financial statements, interest expense  
4 consists of interest on long-term debt and customer deposits. In the 2004 audited  
5 financial statements the 2003 interest expense on long-term debt was restated from the  
6 amount originally reported for 2003 of \$ 27,235 to \$586,531.  
7

8 Please explain why the total of all interest expense was not entered on sheet TAXCALC  
9 and correct the SIMPIL model.  
10

11 **St Thomas Reply:**

12  
13 This was overlooked and has been corrected. An amended model is submitted with  
14 this response.  
15  
16

12. 2004 SIMPIL

- a) Interest expense appears on the income statement but no actual interest was entered on sheet TAXCALC. According to St. Thomas' financial statements, interest expense consists of interest on long-term debt and customer deposits.

The following information appears in Note 7, long-term liabilities, of the 2004 audited financial statements.

*"In 2004 St. Thomas Energy Inc. and the City of St. Thomas finalized the terms of the note payable. As a result of the agreed upon terms St. Thomas Energy Inc. has recorded a prior period adjustment for the interest payable from October 1, 2001 to December 31, 2003 net of payment in lieu of income tax savings. Interest for the period October 1, 2001 to December 31, 2003 totaled \$1,258,416, the related payment in lieu of income tax savings on this interest totaled \$477,402, for a net adjustment to retained earnings of \$781,014."*

Please provide a table that shows how much gross interest expense on long-term debt was assigned to each year 2001 to 2003 before the reduction for the tax savings.

Please insert these actual amounts, plus all other interest expense reported on the income statements for the respective years into the SIMPIL models for tax years 2001-2004 on sheet TAXCALC in the interest true-up area cell range E198-E206.

St Thomas Reply:

The Promissory Note was signed in 2004 thus the interest deductibility began. 2001 to 2003 Audited Financial Statements were restated with Promissory Note interest and taxes recalculated. The MOF then audited STEI and disallowed the claim, so no tax adjustments occurred. See letter attached.

The adjustments were as follows:

2001	Oct to Dec	3 x \$ 46,608 = \$ 139,824
2002	Full Year	12 x \$ 46,608 = \$ 559,296
2003	Full Year	12 x \$ 46,608 = \$ 559,296
	Total	\$ 1,258,416

Further St Thomas would note that had the inclusion of the promissory note for 2001 to 2003 been included in the interest expense the total interest would not have exceeded the deemed interest per the PIL's calculation.

Year	2001	2002	2003	2004	2005
<b>PIL's Interest Expense</b>	Oct to Dec				
Building Loan	\$ 6,752	\$ 12,340	\$ 7,834	\$ 1,630	\$ -
Promissory Note	\$ -	\$ -	\$ -	\$ 559,296	\$ 559,296
<b>Total PILs Interest Expense</b>	<b>\$ 6,752</b>	<b>\$ 12,340</b>	<b>\$ 7,834</b>	<b>\$ 560,926</b>	<b>\$ 559,296</b>
Promissory Note	\$ 139,824	\$ 559,296	\$ 559,296		
	\$ 146,576	\$ 571,636	\$ 567,130		
Deemed Interest per SIMPILs	\$ 174,851	\$ 699,404	\$ 699,404	\$ 699,404	\$ 699,404

b) St. Thomas has recorded a loss on TAXREC2 of a disposal of fixed assets of \$49,179 which trues up to ratepayers. However, if the value of the asset in 2001 was included in rate base, the shareholders continued to receive a benefit in distribution rates.

Please explain why a loss on disposal of assets on which shareholders are getting a return in distribution rates should true-up to ratepayers and not to the shareholder. Shareholder items would be entered on sheet TAXREC3.

**St Thomas Reply:**

St Thomas concurs with Board staff and has amended the SIMPIL's model accordingly.

**13. 2005 SIMPIL**

Interest expense appears on the income statement but no actual interest was entered on sheet TAXCALC. According to St. Thomas' financial statements, interest expense consists of interest on long-term debt and customer deposits. Please explain why actual interest was not entered for the true-up calculation on TAXCALC and correct the SIMPIL model.

**St Thomas Reply:**

This was overlooked and has been corrected. An amended model is submitted with this response.

1 **14. Interest Expense**

2  
3 *Interest Portion of True-up – 2001 to 2005 SIMPIL - TAXCALC*

4 When the actual interest expense, as reflected in the financial statements and tax  
5 returns, exceeds the maximum deemed interest amount approved by the Board, the  
6 excess amount is subject to a claw-back penalty and is shown in sheet TAXCALC as an  
7 extra deduction in the true-up calculations.

8  
9 a) For the tax years 2001 to 2005:

10  
11 i. Did St. Thomas have interest expense related to liabilities other than debt that is  
12 disclosed as interest expense in its financial statements?

13  
14 St Thomas Reply:

15  
16 Yes. Please reference table in a) x) below This would be for customer deposits, interest  
17 on rebate cheques and city short term debt costs related to non-regulatory assets..

18  
19  
20 ii. Did St. Thomas net interest income against interest expense in deriving the  
21 amount it shows as interest expense in its financial statements and tax returns?  
22 If yes, please provide details to what the interest income relates.

23  
24 St Thomas Reply:

25  
26 No. Please reference table in a) x) below.

27  
28  
29 iii. Did St. Thomas include interest expense on customer security deposits in  
30 interest expense for purposes of the interest true-up calculation?

31  
32 St Thomas Reply:

33  
34 No. Please reference table in a) x) below.

35  
36  
37 iv. Did St. Thomas include interest income on customer security deposits in the  
38 disclosed amount of interest expense in its financial statements and tax  
39 returns?  
40

1 St Thomas Reply:

2 Yes. Please reference table in a) x) below.

3  
4 v. Did St. Thomas include interest expense on IESO prudentials in interest  
5 expense?

6  
7 St Thomas Reply:

8  
9 No. Please reference table in a) x) below. These costs were captured in general  
10 administration as fees expense, not as interest expense.

11  
12  
13 vi. Did St. Thomas include interest carrying charges on regulatory assets or  
14 liabilities in interest expense?

15  
16 St Thomas Reply:

17  
18 No. Please reference table in a) x) below.

19  
20 vii. Did St. Thomas include the amortization of debt issue costs, debt discounts or  
21 debt premiums in interest expense? If the answer is yes, did St. Thomas also  
22 include the difference between the accounting and tax amortization amounts in  
23 the interest true-up calculations? Please explain.

24  
25 St Thomas Reply:

26  
27 No. Please reference table in a) x) below St. Thomas did not incur these types of  
28 expenses.

29  
30 viii. Did St. Thomas deduct capitalized interest in deriving the interest expense  
31 disclosed in its financial statements? If the answer is yes, did St. Thomas back  
32 the capitalized interest to the actual interest expense amount for purposes of  
33 the interest true-up calculations? Please explain.

34  
35 St Thomas Reply:

36  
37 No. Please reference table in a) x) below.

38  
39 ix. Please provide St. Thomas views on which types of interest income and interest  
expense should be included in the excess interest true-up calculations.

**St Thomas Reply:**

St. Thomas believes that interest on customer deposits and interest on rebate cheques should not be included in the calculation of interest expense for the purposes of this exercise.

x. Please provide a table for the years 2001 to 2005 that shows all of the components of St. Thomas interest expense and the amount associated with each type of interest.

**St Thomas Reply:**

Year	2001	2002	2003	2004	2005
<b>Interest Revenue</b>					
Deferral Account	-\$ 10,729	-\$ 120,334	-\$ 28,601	-\$ 100,628	-\$ 62,508
Bank Account	-\$ 25,004	-\$ 39,800	-\$ 49,322	-\$ 47,956	-\$ 60,310
<b>Total Interest Revenue</b>	<b>-\$ 35,733</b>	<b>-\$ 160,134</b>	<b>-\$ 77,923</b>	<b>-\$ 148,584</b>	<b>-\$ 122,818</b>
Year	2001	2002	2003	2004	2005
<b>Interest Expense</b>					
Building Loan	\$ 27,009	\$ 12,340	\$ 7,834	\$ 1,630	\$ -
Promissory Note	\$ -	\$ -	\$ -	\$ 559,296	\$ 559,296
Customer Deposits	\$ 33,549	\$ 19,145	\$ 29,437	\$ 28,313	\$ 13,481
Interest on rebate cheques	\$ -	\$ 26,030	\$ -	\$ -	\$ -
City Short Term	\$ -	\$ 43,694	\$ 19,401	\$ -	\$ -
<b>Total Interest Expense</b>	<b>\$ 60,558</b>	<b>\$ 101,209</b>	<b>\$ 56,672</b>	<b>\$ 589,239</b>	<b>\$ 572,777</b>
Year	2001	2002	2003	2004	2005
<b>PIL's Interest Expense</b>	Oct to Dec				
Building Loan	\$ 6,752	\$ 12,340	\$ 7,834	\$ 1,630	\$ -
Promissory Note	\$ -	\$ -	\$ -	\$ 559,296	\$ 559,296
<b>Total PILs Interest Expense</b>	<b>\$ 6,752</b>	<b>\$ 12,340</b>	<b>\$ 7,834</b>	<b>\$ 560,926</b>	<b>\$ 559,296</b>



1 **15. Treatment of Regulatory Assets and Liabilities in the Tax Returns**

2 It appears from the evidence that St. Thomas retained regulatory assets and liabilities  
3 on the balance sheet and did not adjust the tax returns for the annual movements or  
4 changes in the balances of regulatory assets and liabilities. Please explain why the  
5 Ministry of Finance allowed this tax treatment for St. Thomas.

6  
7 St Thomas Reply:

8  
9 St Thomas is not aware why the Ministry of Finance allowed this tax treatment for  
10 St. Thomas.  
11  
12

**16. Tax Years – Statute-barred**

Please confirm that all tax years from 2001 to 2005 are now statute-barred.

**St Thomas Reply:**

St Thomas confirms that all tax years from 2001 to 2005 are now statute-barred.

**17. 1562 Balance Reported in RRR**

St. Thomas has reported the balance in account 1562 to be a debit of \$999,695.50 at the end of December 2010 in its RRR filing 2.1.7. The 2010 balance according to the PILs continuity schedule tab E1.1 is a debit balance of \$939,530 consisting of principal of \$626,215 and interest of \$322,521. Please explain the reasons for the differences between the 2010 RRR balance and the evidence filed in this case.

**St Thomas Reply:**

St. Thomas cannot explain the reasons for the differences between the 2010 RRR balance and the evidence filed in this case other than that the process now is better defined.

## **Exhibit 5**

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### **Tab 2 of 3**

## **Attachments For PILs**

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment1

## Attachment 1 of 9

# STEI 2001 1562 Disposition PILs Model IR Response

**Disposition of Balance Recorded in Account 1562 D**

Distributor	St. Thomas Energy Inc.
OEB File Number	EB-2011-0196
Filing Year	2001

**eferred PILs**

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: St. Thomas Energy Inc.			Colour Code	
4	Reporting period: 2001			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	92	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	31-Dec-01	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			19,293,900	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,652,523	
42					
43	1999 return from RUD Sheet #7			1,039,694	1,039,694
44					
45	Total Incremental revenue			612,829	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			204,276	204,276
48	Amount allowed in 2002				0
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				1,243,970
55					
56	Equity			9,646,950	
57					
58	Return at target ROE			953,119	
59					
60	Debt			9,646,950	
61					
62	Deemed interest amount in 100% of MARR			699,404	
63					
64	Phase-in of interest - Year 1 (2001)			526,491	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			526,491	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			526,491	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			699,404	
71					
72					



	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	310,993		-559,428		-248,435	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	224,857		6,136		230,993	
21	Federal Large Corporation Tax	3	7,989		-7,989		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	Items on which true-up does not apply "TAXREC 3"				0		0	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	80,676		77,341		158,017	
34	Employee Benefit Plans - Paid Amounts	8	49,794		-49,794		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	131,623		-124,871		6,752	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	Items on which true-up does not apply "TAXREC 3"				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		281,745		-463,956	Before loss C/F	-182,211	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-40.6200%		0.00%	
54								
55	REGULATORY INCOME TAX		114,445		-114,445	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	Total Regulatory Income Tax		114,445		-114,445	Actual	0	
61								
62								
63	II) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	19,293,900		-2,465,561		16,828,339	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-1,301,640		3,698,360	
68	Taxable Capital		14,293,900		-3,767,201		13,129,979	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		2,702		7,226	Overpaid	9,928	
73								
74	Federal Large Corporations Tax							
75	Base	18	19,293,900		-2,538,724		16,755,176	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		9,293,900		-2,538,724		6,755,176	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		1,318		2,513		3,831	
82	Less: Federal Surtax 1.12% x Taxable Income	21	3,156		-3,156		0	
83								
84	Net LCT		-1,838		5,669		3,831	
85								

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	189,165			Actual 2001	0	
91	LCT (proxy tax is grossed-up)	23	-3,038			Actual 2001	3,831	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	2,702			Actual 2001	9,928	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	188,830			Actual 2002	13,759	
96	RAM DECISION							
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			-7,989			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			-49,794			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	41,806			
121								
122	Income Tax Rate (including surtax) from 2001 Utility's tax return			x	34.12%			
123								
124	Income Tax Effect on True-up adjustments			=	14,264			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				14,264			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				33.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				21,290			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	281,745			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	34.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	96,132			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	96,132			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	114,445			
147								
148	Regulatory Income Tax Variance			=	-18,313			
149								

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
150	Ontario Capital Tax							
151	Base			=	19,293,900			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	14,293,900			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156				=	10,809			
157	Revised Ontario Capital Tax			=	2,702			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	8,106			
159	Regulatory Ontario Capital Tax Variance			=				
160								
161	Federal LCT							
162	Base				19,293,900			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	9,293,900			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount			=	5,271			
169	Less: Federal surtax			-	3,156			
170	Revised Net LCT			=	2,115			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	-1,838			
173	Regulatory Federal LCT Variance			=	3,953			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				34.12%			
176								
177	Income Tax (grossed-up)			+	-27,798			
178	LCT (grossed-up)			+	6,000			
179	Ontario Capital Tax			+	8,106			
180				=				
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-13,691			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	21,290			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	7,598			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				699,404			
194	Interest phased-in (Cell C36)				526,491			
195								
196	Variance due to phase-in of debt component of MARR in rates				172,913			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)				6,752			
202	Total deemed interest (REGINFO CELL D61)				174,851			
203								
204	Variance caused by excess debt				0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)				0			
207								
208	Total Interest Variance				172,913			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: St. Thomas Energy Inc.					
8	Reporting period: 2001					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		92	days		
12						
13	Please enter the Materiality Level :		24,117	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	-24,194		-24,194	
32	Distribution Revenue	+			0	
33	Other Income	+			0	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-			0	
40	Administration	-	-6,752		-6,752	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	230,993		230,993	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46	Municipal property taxes	-			0	
47	Federal LCT	-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	-248,435	0	-248,435	
51	Less: Interest expense for accounting purposes	-	6,752		6,752	
52	Provision for payments in lieu of income taxes	-	19,800		19,800	
53	<b>Net Income (loss)</b>	=	-274,987	0	-274,987	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	19,800	0	19,800	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	230,993	0	230,993	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		250,793	0	250,793	
71						
72	Other Additions: (Please explain the nature of the additions)					

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	250,793	0	250,793	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	158,017		158,017	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b><i>Items on which true-up does not apply "TAXREC 3"</i></b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	158,017	0	158,017	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118					0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	158,017	0	158,017	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	-182,211	0	-182,211	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	-182,211	0	-182,211	
140						



	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	<b>Total Income Tax</b>	=	0	0	0	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%	*****	0.00%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	9,928		9,928	
158	Federal Large Corporations Tax	+	3,831		3,831	
159						
160	<b>Total income and capital taxes</b>	=	13,759	0	13,759	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: St. Thomas Energy Inc.</b>					
8	<b>Reporting period: 2001</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	OPEB				0	
60	Regulatory Reserves				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						
65						

	A	B	C	D	E	F
1						
2	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: St. Thomas Energy Inc.					
9	Reporting period: 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		24,117			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	



	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: St. Thomas Energy Inc.</b>					
9	<b>Reporting period: 2001</b>					
10	<b>Number of days in taxation year:</b>		92			
11	<b>Materiality Level:</b>		24,117			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2001</b>					
12	<b>Number of days in taxation year:</b>		92			
13						
14						
15						
16	<b><u>Section C: Reconciliation of accounting income to taxable income</u></b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		<b>0</b>	Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
74						
75						

	A	B	C	D	E	F	G
1	<b>PILs TAXES</b>						
2	<b>Corporate Tax Rates</b>						Version 2009.1
3	<b>Exemptions, Deductions, or Thresholds</b>						
4	Utility Name: St. Thomas Energy Inc.						
5	Reporting period: 2001						
6							
7							Table 1
8	<b>Rates Used in 2001 RAM PILs Applications for 2002</b>						
9	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
10	RAM 2002						
11		Year					
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%	26.12%	
15	and Ontario blended		6.00%		6.00%	12.50%	
16	Blended rate		19.12%		34.12%	38.62%	
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
	<b>**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing</b>						
23							
24							
25							Table 2
26	<b>Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2002</b>						
27	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
28	Expected Rates						
29		Year					
30	Income Tax Rate						
31	Current year	2001					
32	Federal (Includes surtax)	2001	13.12%		26.12%	26.12%	
33	Ontario	2001	6.00%		6.00%	12.50%	
34	Blended rate	2001	19.12%		32.12%	38.62%	
35							
36	Capital Tax Rate	2001	0.300%				
37	LCT rate	2001	0.225%				
38	Surtax	2001	1.12%				
39	Ontario Capital Tax Exemption *** 2001	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2001	MAX \$10MM	10,000,000				
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>						
42							
43							Table 3
44	<b>Input Information from Utility's Actual 2001 Tax Returns</b>						
45	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
46							
47		Year					
48	Income Tax Rate						
49	Current year	2001					
50	Federal (Includes surtax)		13.12%		28.12%	28.12%	
51	Ontario		6.00%		6.00%	12.50%	
52	Blended rate		19.12%		34.12%	40.62%	
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	3,698,360				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000				
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>						
60							
61							
62							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	PILs TAXES															
2	Analysis of PILs Tax Account 1562:															
3	Utility Name: St. Thomas Energy Inc.														Version 2009.1	
4	Reporting period: 2001				Sign Convention: + for increase; - for decrease										0	
5																
6																
7																
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006			
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total	
10																
11	Opening balance:	=	0		7,598		7,598		7,598		7,598		7,598		0	
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0	
14	True-up Variance Adjustment Q4, 2001 (2)	+/-	21,290												21,290	
16	True-up Variance Adjustment (3)	+/-													0	
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-	-13,691												-13,691	
20	Deferral Account Variance Adjustment (5)	+/-													0	
22	Adjustments to reported prior years' variances (6)	+/-													0	
23	Carrying charges (7)	+/-													0	
25	PILs billed to (collected from) customers (8)	-	0												0	
26																
27	Ending balance: # 1562		7,598		7,598		7,598		7,598		7,598		7,598		7,598	
28																
29																
30																
31	Uncollected PILs															
32																
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.															
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.															
35																
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:															
37																
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.															
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.															
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.															
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.															
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.															
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.															
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.															
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.															
46																
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be															
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.															
49																
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.															
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
52																
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be															
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.															
55																
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.															
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
58																
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.															
60																
61	(7) Carrying charges are calculated on a simple interest basis.															
62																
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate															
64	components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the															
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.															
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.															
67																
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied															
69	by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;															
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.															
71																
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,															
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.															
74																
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,															
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used															
77	to calculate the recovery for the period January 1 to March 31, 2005.															
78																
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes															
80	will have to include amounts from 1562 and from 1590.															
81																
82																

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment2

## Attachment 2 of 9

# STEI 2002 1562 Disposition PILs Model IR Response

## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	St. Thomas Energy Inc.
OEB File Number	EB-2011-0196
Filing Year	2002

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: St. Thomas Energy Inc.			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			19,293,900	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,652,523	
42					
43	1999 return from RUD Sheet #7			1,039,694	1,039,694
44					
45	Total Incremental revenue			612,829	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			204,276	204,276
48	Amount allowed in 2002			204,276	204,276
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				1,448,246
55					
56	Equity			9,646,950	
57					
58	Return at target ROE			953,119	
59					
60	Debt			9,646,950	
61					
62	Deemed interest amount in 100% of MARR			699,404	
63					
64	Phase-in of interest - Year 1 (2001)			526,491	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			612,947	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			612,947	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			699,404	
71					
72					



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	<b>Utility Name: St. Thomas Energy Inc.</b>							
7	<b>Reporting period: 2002</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,448,246		-380,539		1,067,707	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	899,426		88,883		988,309	
21	Employee Benefit Plans - Accrued, Not Paid	3	199,176		-199,176		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	61,257		-61,257		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	636,607		29,088		665,695	
34	Employee Benefit Plans - Paid Amounts	8	199,176		-199,176		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	612,947		-556,913		56,034	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		1,159,375		174,912	Before loss C/F	1,334,287	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	
54								
55	REGULATORY INCOME TAX		447,751		-2,819	Actual	444,932	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		447,751		-2,819	Actual	444,932	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	19,293,900		4,473,999		23,767,899	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-608,821		4,391,179	
68	Taxable Capital		14,293,900		3,865,178		19,376,720	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		42,882		15,248	Overpaid	58,130	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	19,293,900		4,194,039		23,487,939	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		9,293,900		4,194,039		13,487,939	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		20,911		9,437		30,348	
82	Less: Federal Surtax 1.12% x Taxable Income	21	12,985		-82		12,903	
83								
84	Net LCT		7,926		9,519		17,445	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: St. Thomas Energy Inc.</b>							
7	<b>Reporting period: 2002</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	716,401			<b>Actual 2002</b>	444,932	
91	LCT (proxy tax is grossed-up)	23	12,682			<b>Actual 2002</b>	17,445	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	42,882			<b>Actual 2002</b>	58,130	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	771,965			<b>Actual 2002</b>	520,507	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			-199,176			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-61,257			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			-199,176			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-61,257			
121								
122	Income Tax Rate (including surtax) from 2002 Utility's tax return			x	38.62%			
123								
124	Income Tax Effect on True-up adjustments			=	-23,657			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-23,657			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				0.375000216			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				-37,852			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,159,375			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	38.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	447,751			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	447,751			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	447,751			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	<b>Utility Name: St. Thomas Energy Inc.</b>							
7	<b>Reporting period: 2002</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12			\$		\$		<b>TAXREC</b>	
13							\$	
150	<b>Ontario Capital Tax</b>							
151	Base			=	19,293,900			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	14,293,900			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	42,882			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	42,882			
158								
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				19,293,900			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	9,293,900			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				20,911			
169	Less: Federal surtax			-	12,985			
170	Revised Net LCT			=	7,926			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	7,926			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				0.375000216			
176								
177	<b>Income Tax (grossed-up)</b>			+	0			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	0			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	-37,852			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-37,852			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				699,404			
194	Interest phased-in (Cell C36)				612,947			
195								
196	Variance due to phase-in of debt component of MARR in rates				86,457			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				56,034			
202	Total deemed interest (REGINFO CELL D61)				699,404			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				86,457			
209								
210								
211								

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4	<b>0</b>		<b>Return</b>		
5					<b>Version 2009.1</b>
6	<b>Section A: Identification:</b>				
7	<b>Utility Name: St. Thomas Energy Inc.</b>				
8	<b>Reporting period: 2002</b>				
9	<b>Taxation Year's start date:</b>				
10	<b>Taxation Year's end date:</b>				
11	<b>Number of days in taxation year:</b>		365	days	
12					
13	<b>Please enter the Materiality Level :</b>		24,117	< - enter materiality level	
14	<b>(0.25% x Rate Base x CER)</b>	Y/N	Y		
15	<b>(0.25% x Net Assets)</b>	Y/N	N		
16	<b>Or other measure (please provide the basis of the amount)</b>	Y/N	N		
17	<b>Does the utility carry on non-wires related operation?</b>	Y/N	N		
18	<b>(Please complete the questionnaire in the Background questionnaire worksheet.)</b>				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	<b>Section B: Financial statements data:</b>				
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>				
24	<i>The actual categories of the income statements should be used.</i>				
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>				
26					
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>				
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>				
29					
30	<b>Income:</b>				
31	Energy Sales	+	27,650,769		27,650,769
32	Distribution Revenue	+			0
33	Other Income	+	813,126		813,126
34	Miscellaneous income	+			0
35		+			0
36	Revenue should be entered above this line				
37					
38	<b>Costs and Expenses:</b>				
39	Cost of energy purchased	-	23,523,488		23,523,488
40	Administration	-	2,884,391		2,884,391
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	988,309		988,309
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	1,067,707	0	1,067,707
51	Less: Interest expense for accounting purposes	-	56,034		56,034
52	Provision for payments in lieu of income taxes	-	488,385		488,385
53	<b>Net Income (loss)</b>	=	523,288	0	523,288
54	<i>(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )</i>				
55					
56	<b>Section C: Reconciliation of accounting income to taxable income</b>				
57	<b>From T2 Schedule 1</b>				
58	<b>BOOK TO TAX ADDITIONS:</b>				
59	Provision for income tax	+	488,385	0	488,385
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	988,309	0	988,309
62	Employee benefit plans-accrued, not paid	+		0	0
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	0	0	0
65	Regulatory adjustments on which true-up may apply (see A66)	+			0

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4	<b>0</b>		<b>Return</b>		
5					<b>Version 2009.1</b>
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	0	0	0
69					
70	<i>Subtotal</i>		1,476,694	0	1,476,694
71					
72	<i>Other Additions: (Please explain the nature of the additions)</i>				
73	Recapture of CCA	+			0
74	Non-deductible meals and entertainment expense	+			0
75	Capital items expensed	+			0
76		+			0
77		+			0
78		+			0
79		+			0
80	<i>Total Other Additions</i>	=	0	0	0
81					
82	<i>Total Additions</i>	=	1,476,694	0	1,476,694
83					
84	Recap Material Additions:				
85			0	0	0
86			0	0	0
87			0	0	0
88			0	0	0
89			0	0	0
90			0	0	0
91			0	0	0
92	<i>Total Other additions &gt;materiality level</i>		0	0	0
93	Other additions (less than materiality level)		0	0	0
94	<i>Total Other Additions</i>		0	0	0
95					
96	<b>BOOK TO TAX DEDUCTIONS:</b>				
97	Capital cost allowance	-	665,695		665,695
98	Cumulative eligible capital deduction	-			0
99	Employee benefit plans-paid amounts	-			0
100	Items capitalized for regulatory purposes	-			0
101	<i>Regulatory adjustments :</i>	-			0
102	CCA	-			0
103	<i>other deductions</i>	-			0
104	<i>Tax reserves - end of year</i>	-	0	0	0
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0
106	<i>Contributions to deferred income plans</i>	-			0
107	<i>Contributions to pension plans</i>	-			0
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0
109	Interest capitalized for accounting deducted for tax	-			0
110	Material deduction items from TAXREC 2	-	0	0	0
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0
112					
113	<i>Subtotal</i>	=	665,695	0	665,695
114	<i>Other deductions (Please explain the nature of the deductions)</i>				
115	<b>Charitable donations - tax basis</b>	-			0
116	<i>Gain on disposal of assets</i>	-			0
117		-			0
118					0
119		-			0
120	<i>Total Other Deductions</i>	=	0	0	0
121					
122	<i>Total Deductions</i>	=	665,695	0	665,695
123					
124	Recap Material Deductions:				
125			0	0	0
126			0	0	0



	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4	<b>0</b>		<b>Return</b>		
5					<b>Version 2009.1</b>
127			0	0	0
128			0	0	0
129			0	0	0
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0
131	Other Deductions less than materiality level		0	0	0
132	Total Other Deductions		0	0	0
133					
134	<b>TAXABLE INCOME</b>	=	1,334,287	0	1,334,287
135	<b>DEDUCT:</b>				
136	Non-capital loss applied <b>positive number</b>	-	182,211		182,211
137	Net capital loss applied <b>positive number</b>	-			0
138					0
139	<b>NET TAXABLE INCOME</b>	=	1,152,076	0	1,152,076
140					
141	<b>FROM ACTUAL TAX RETURNS</b>				
142	Net Federal Income Tax <b>(Must agree with tax return)</b>	+	300,922		300,922
143	Net Ontario Income Tax <b>(Must agree with tax return)</b>	+	144,010		144,010
144	Subtotal	=	444,932	0	444,932
145	Less: Miscellaneous tax credits <b>(Must agree with tax returns)</b>	-	0		0
146	<b>Total Income Tax</b>	=	444,932	0	444,932
147					
148	<b>FROM ACTUAL TAX RETURNS</b>				
149	Net Federal Income Tax Rate <b>(Must agree with tax return)</b>		26.12%		26.12%
150	Net Ontario Income Tax Rate <b>(Must agree with tax return)</b>		12.50%		12.50%
151	Blended Income Tax Rate		38.62%	*****	38.62%
152					
153	<b>Section F: Income and Capital Taxes</b>				
154					
155	<b>RECAP</b>				
156	Total Income Taxes	+	444,932	0	444,932
157	Ontario Capital Tax	+	58,130		58,130
158	Federal Large Corporations Tax	+	17,445		17,445
159					
160	<b>Total income and capital taxes</b>	=	520,507	0	520,507

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: St. Thomas Energy Inc.</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59					0	
60					0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: St. Thomas Energy Inc.					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		24,117			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	



	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: St. Thomas Energy Inc.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		24,117			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2002</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
73	<b><u>Total Deductions on which true-up does not apply</u></b>	=	<b>0</b>	<b>0</b>	<b>0</b>	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: St. Thomas Energy Inc.									
5	Reporting period: 2002									
6										
7										
8	Rates Used in 2002 RAM PILs Applications for 2002					Table 1				
9	Income Range		0		200,001					
10	RAM 2002		to		to					
11		Year	200,000		700,000					
12	Income Tax Rate									
13	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%		26.12%			
15	and Ontario blended		6.00%		6.00%		12.50%			
16	Blended rate		19.12%		34.12%		38.62%			
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25										
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002									
27	Income Range		0		200,001					
28	Expected Rates		to		to					
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		26.12%		26.12%			
33	Ontario	2002	6.00%		6.00%		12.50%			
34	Blended rate	2002	19.12%		32.12%		38.62%			
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43										
44	Input Information from Utility's Actual 2002 Tax Returns					Table 3				
45	Income Range		0		200,001					
46			to		to					
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		22.12%		26.12%			
51	Ontario		6.00%		9.75%		12.50%			
52	Blended rate		19.12%		31.87%		38.62%			
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,391,179							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: St. Thomas Energy Inc.														Version 2009.1
4	Reporting period: 2002				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		-37,852		-37,852		-37,852		-37,852		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-											0		0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-			-37,852										-37,852
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-													0
20	Deferral Account Variance Adjustment (5)	+/-			0										0
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		-37,852		-37,852		-37,852		-37,852		-37,852		-37,852
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment3

## Attachment 3 of 9

# STEI 2003 1562 Disposition PILs Model IR Response

## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	St. Thomas Energy Inc.
OEB File Number	EB-2011-0196
Filing Year	2003

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: St. Thomas Energy Inc.			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	31-Dec-03	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			19,293,900	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,652,523	
42					
43	1999 return from RUD Sheet #7			1,039,694	1,039,694
44					
45	Total Incremental revenue			612,829	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			204,276	204,276
48	Amount allowed in 2002			204,276	204,276
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				1,448,246
55					
56	Equity			9,646,950	
57					
58	Return at target ROE			953,119	
59					
60	Debt			9,646,950	
61					
62	Deemed interest amount in 100% of MARR			699,404	
63					
64	Phase-in of interest - Year 1 (2001)			526,491	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			612,947	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			612,947	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			699,404	
71					
72					



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2003							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,448,246		885,881		2,334,127	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	899,426		129,766		1,029,192	
21	Employee Benefit Plans - Accrued, Not Paid	3	199,176		-199,176		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	61,257		-61,257		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	636,607		69,553		706,160	
34	Employee Benefit Plans - Paid Amounts	8	199,176		-199,176		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	612,947		-585,712		27,235	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		1,159,375		1,470,549	Before loss C/F	2,629,924	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.0000%		36.62%	
54								
55	REGULATORY INCOME TAX		447,751		515,327	Actual	963,078	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		447,751		515,327	Actual	963,078	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	19,293,900		1,756,231		21,050,131	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-362,876		4,637,124	
68	Taxable Capital		14,293,900		1,393,355		16,413,007	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		42,882		6,357	Overpaid	49,239	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	19,293,900		-19,293,900			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		9,293,900		-19,293,900		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		20,911		-20,911		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	12,985		-12,985		0	
83								
84	Net LCT		7,926		-7,926		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2003							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	716,401			<b>Actual 2003</b>	963,078	
91	LCT (proxy tax is grossed-up)	23	12,682			<b>Actual 2003</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	42,882			<b>Actual 2003</b>	49,239	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	771,965			<b>Actual 2003</b>	1,012,317	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			-199,176			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-61,257			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			-199,176			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-61,257			
121								
122	Income Tax Rate (including surtax) from 2003 Utility's tax return			x	36.62%			
123								
124	Income Tax Effect on True-up adjustments			=	-22,432			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-22,432			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				-34,779			
133								
	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
134								
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,159,375			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	36.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	424,563			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	424,563			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	447,751			
147								
148	Regulatory Income Tax Variance			=	-23,188			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2003							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	19,293,900			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	14,293,900			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	42,882			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							
158				-	42,882			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				19,293,900			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	9,293,900			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				20,911			
169	Less: Federal surtax			-	12,985			
170	Revised Net LCT			=	7,926			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	7,926			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.50%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-35,950			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-35,950			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	-34,779			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-70,728			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				699,404			
194	Interest phased-in (Cell C36)				612,947			
195								
196	Variance due to phase-in of debt component of MARR in rates				86,457			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				27,235			
202	Total deemed interest (REGINFO CELL D61)				699,404			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				86,457			
209								
210								

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: St. Thomas Energy Inc.					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		24,117	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	30,270,202		30,270,202	
32	Distribution Revenue	+			0	
33	Other Income	+	713,182		713,182	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	24,924,986		24,924,986	
40	Administration	-	2,645,079		2,645,079	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,029,192		1,029,192	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-	50,000		50,000	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,334,127	0	2,334,127	
51	Less: Interest expense for accounting purposes	-	27,235		27,235	
52	Provision for payments in lieu of income taxes	-	972,188		972,188	
53	<b>Net Income (loss)</b>	=	1,334,704	0	1,334,704	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	972,188	0	972,188	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,029,192	0	1,029,192	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		2,001,380	0	2,001,380	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	2,001,380	0	2,001,380	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	706,160		706,160	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	706,160	0	706,160	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118					0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	706,160	0	706,160	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	2,629,924	0	2,629,924	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	2,629,924	0	2,629,924	
140						



	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	634,338		634,338	
143	Net Ontario Income Tax (Must agree with tax return)	+	328,740		328,740	
144	Subtotal	=	963,078	0	963,078	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	963,078	0	963,078	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	Divide Ontario
151	Blended Income Tax Rate		36.62%	*****	36.62%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	963,078	0	963,078	
157	Ontario Capital Tax	+	49,239		49,239	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	1,012,317	0	1,012,317	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: St. Thomas Energy Inc.</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						
66						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: St. Thomas Energy Inc.</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		24,117			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	



	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: St. Thomas Energy Inc.</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		24,117			
12						
13						
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						
123						
124						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2003</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	Utility Name: St. Thomas Energy Inc.				<b>Version 2009.1</b>	
73	<b><u>Total Deductions on which true-up does not apply</u></b>	=	<b>0</b>	<b>0</b>	<b>0</b>	
74						

	A	B	C	D	E	F	G
1	PILs TAXES						
2	Corporate Tax Rates			Version 2009.1			
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: St. Thomas Energy Inc.						
5	Reporting period: 2003						
6							
7	Table 1						
8	Rates Used in 2002 RAM PILs Applications for 2002						
9	Income Range		0		200,001		
10	RAM 2002		to		to	>700,000	
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%	26.12%	
15	and Ontario blended		6.00%		6.00%	12.50%	
16	Blended rate		19.12%		34.12%	38.62%	
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
23							
24							
25	Table 2						
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003						
27	Income Range		0	250,001	400,001		
28	Expected Rates		to	to	to	>1128000	
29		Year	250,000	400,000	1,128,000		
30	Income Tax Rate						
31	Current year	2003					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%	
33	Ontario		5.50%	5.50%	9.75%	12.50%	
34	Blended rate		18.62%	27.62%	31.87%	36.62%	
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.225%				
38	Surtax		1.12%				
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000				
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43	Table 3						
44	Input Information from Utility's Actual 2003 Tax Returns						
45	Income Range		0	250,001	400,001		
46			to	to	to	>1128000	
47		Year	250,000	400,000	1,128,000		
48	Income Tax Rate						
49	Current year	2003					
50	Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%	
51	Ontario		5.50%	5.50%	9.75%	12.50%	
52	Blended rate		18.62%	27.62%	31.87%	36.62%	
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5.0MM	4,637,124				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23						
60	page 11; federal T2 Schedule 36						

	A	B	C	D	E	F	G	H	I	J	K
1	PILs TAXES										
2	Analysis of PILs Tax Account 1562:										
3	Utility Name: St. Thomas Energy Inc.										
4	Reporting period: 2003				Sign Convention: + for increase; - for decrease						
5											
6											
7											
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005
10											
11	Opening balance:	=	0		0		0		-70,728		-70,728
12	Board-approved PILs tax proxy from Decisions (1)	+/-									
14	True-up Variance Adjustment Q4, 2001 (2)	+/-									
16	True-up Variance Adjustment (3)	+/-					-34,779				
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-									
20	Deferral Account Variance Adjustment (5)	+/-					-35,950				
22	Adjustments to reported prior years' variances (6)	+/-									
23	Carrying charges (7)	+/-									
25	PILs billed to (collected from) customers (8)	-									
26			0		0						
27	Ending balance: # 1562		0		0		-70,728		-70,728		-70,728
28											
29											
30											
31	Uncollected PILs										
32											
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.										
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.										
35											
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:										
37											
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.										
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.										
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.										
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.										
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.										
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.										
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.										
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.										
46											
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be										
48	trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.										
49											
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.										
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
52											
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be										
54	trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.										
55											
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.										
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
58											
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.										
60											
61	(7) Carrying charges are calculated on a simple interest basis.										
62											
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate										
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the										
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.										
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.										
67											
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied										
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;										
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.										
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,										
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.										
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,										
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used										
77	to calculate the recovery for the period January 1 to March 31, 2005.										
78											
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes										
80	will have to include amounts from 1562 and from 1590.										
81											

	L	M	N	O
1				
2				
3				Version 2009.1
4				0
5				
6				
7				
8		01/01/2006		
9		30/04/2006		Total
10				
11		-70,728		0
12				0
14				0
16				-34,779
18				0
20				-35,950
22				0
23				0
25				0
26				
27		-70,728		-70,728
28				
29				
30				
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33				
34				
35				
36				
37				
38				
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St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment4

## Attachment 4 of 9

# STEI 2004 1562 Disposition PILs Model IR Response

**Disposition of Balance Recorded in Account 1562 D**

Distributor	St. Thomas Energy Inc.
OEB File Number	EB-2011-0196
Filing Year	2004



**eferred PILs**

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: St. Thomas Energy Inc.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		2.4490%	
22		LCT		2.4490%	
23					
24	Accounting Year End		Date	31-Dec-04	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			19,293,900	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,652,523	
42					
43	1999 return from RUD Sheet #7			1,039,694	1,039,694
44					
45	Total Incremental revenue			612,829	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			204,276	204,276
48	Amount allowed in 2002			204,276	204,276
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				1,448,246
55					
56	Equity			9,646,950	
57					
58	Return at target ROE			953,119	
59					
60	Debt			9,646,950	
61					
62	Deemed interest amount in 100% of MARR			699,404	
63					
64	Phase-in of interest - Year 1 (2001)			526,491	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			612,947	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			612,947	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			699,404	
71					
72					
73					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: St. Thomas Energy Inc.</b>							
7	<b>Reporting period: 2004</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,448,246		755,313		2,203,559	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	899,426		175,474		1,074,900	
21	Employee Benefit Plans - Accrued, Not Paid	3	199,176		-199,176		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	61,257		-61,257		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				49,179		49,179	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	636,607		99,978		736,585	
34	Employee Benefit Plans - Paid Amounts	8	199,176		-199,176		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	612,947		-52,021		560,926	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		1,159,375		870,752	Before loss C/F	2,030,127	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5000%		36.12%	
54								
55	REGULATORY INCOME TAX		447,751		285,530	Actual	733,281	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		447,751		285,530	Actual	733,281	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	19,293,900		1,835,131		21,129,031	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-559,991		4,440,009	
68	Taxable Capital		14,293,900		1,275,140		16,689,022	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		42,882		7,185	Overpaid	50,067	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	19,293,900		-19,293,900			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		9,293,900		20,706,100		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		20,911		-20,911		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	12,985		-12,985		0	
83								
84	Net LCT		7,926		-7,926		0	
85								

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2004							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	716,401			Actual 2004	733,281	
91	LCT (proxy tax is grossed-up)	23	12,682			Actual 2004	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	42,882			Actual 2004	50,067	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	771,965			Actual 2004	783,348	
96	RAM DECISION							
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			-199,176			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-61,257			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			-199,176			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-61,257			
121								
122	Income Tax Rate (including surtax) from 2004 Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	-22,126			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-22,126			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				0.34999957			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				-34,040			
133								
	IV b) Calculation of the Deferral Account Variance caused by							
134	changes in legislation							
135								
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
136	estimate column)			=	1,159,375			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	418,766			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	418,766			
145								
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell							
146	C58)			-	447,751			
147								
148	Regulatory Income Tax Variance			=	-28,985			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	<b>Utility Name: St. Thomas Energy Inc.</b>							
7	<b>Reporting period: 2004</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	19,293,900			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	14,293,900			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	42,882			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							
158				-	42,882			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				19,293,900			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-30,706,100			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	7,926			
173	Regulatory Federal LCT Variance			=	-7,926			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				0.34999957			
176								
177	<b>Income Tax (grossed-up)</b>			+	-44,592			
178	<b>LCT (grossed-up)</b>			+	-12,682			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-57,274			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	-34,040			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-91,314			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				699,404			
194	Interest phased-in (Cell C36)				612,947			
195								
196	Variance due to phase-in of debt component of MARR in rates				86,457			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				560,926			
202	Total deemed interest (REGINFO CELL D61)				699,404			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				86,457			
209								
210								

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	0		Return			
5					Version 2009.1	
6	<b>Section A: Identification:</b>					
7	Utility Name: St. Thomas Energy Inc.					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		24,117	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	29,638,120		29,638,120	
32	Distribution Revenue	+			0	
33	Other Income	+	622,890		622,890	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	24,097,152		24,097,152	
40	Administration	-	2,837,399		2,837,399	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,074,900		1,074,900	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-	48,000		48,000	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,203,559	0	2,203,559	
51	Less: Interest expense for accounting purposes	-	560,926		560,926	
52	Provision for payments in lieu of income taxes	-	745,505		745,505	
53	<b>Net Income (loss)</b>	=	897,128	0	897,128	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	745,505	0	745,505	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,074,900	0	1,074,900	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		49,179	0	49,179	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		1,869,584	0	1,869,584	
71						
72	Other Additions: (Please explain the nature of the additions)					



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	1,869,584	0	1,869,584	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	\$736,585		736,585	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b><i>Items on which true-up does not apply "TAXREC 3"</i></b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	736,585	0	736,585	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118					0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	736,585	0	736,585	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	2,030,127	0	2,030,127	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	2,030,127	0	2,030,127	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	449,063		449,063	
143	Net Ontario Income Tax (Must agree with tax return)	+	284,218		284,218	
144	Subtotal	=	733,281	0	733,281	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	733,281	0	733,281	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	Divide Ontario
151	Blended Income Tax Rate		36.12%	*****	36.12%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	733,281	0	733,281	
157	Ontario Capital Tax	+	50,067		50,067	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	783,348	0	783,348	
161						
162						



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: St. Thomas Energy Inc.</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						
66						
67						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: St. Thomas Energy Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		365			
11	Materiality Level:		24,117			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: St. Thomas Energy Inc.</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		24,117			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-			0	
95		-			0	
96		-			0	
97	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
98		-			0	
99		-			0	
100		-			0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						
126						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	49,179		49,179	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+				
47	<b>Total Additions on which true-up does not apply</b>	=	49,179	0	49,179	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
73	<b><u>Total Deductions on which true-up does not apply</u></b>	=	<b>0</b>	<b>0</b>	<b>0</b>	
74						
75						
76						

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-381						
2	Corporate Tax Rates						Version 2009.1
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: St. Thomas Energy Inc.						
5	Reporting period: 2004						
6							
7							
8	Rates Used in 2002 RAM PILs Applications for 2002						Table 1
9	Income Range		0 to 200,000		200,001 to 700,000		>700,000
10	RAM 2002						
11		Year					
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%		26.12%
15	and Ontario blended		6.00%		6.00%		12.50%
16	Blended rate		19.12%		34.12%		38.62%
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25							
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004						Table 2
27	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000
28	Expected Rates						
29		Year					
30	Income Tax Rate						
31	Current year	2004					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%
33	Ontario		5.50%	5.50%	9.75%		14.00%
34	Blended rate		18.62%	27.62%	31.87%		36.12%
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.200%				
38	Surtax		1.12%				
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000				
41	*** Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43							
44	Input Information from Utility's Actual 2004 Tax Returns						Table 3
45	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000
46							
47		Year					
48	Income Tax Rate						
49	Current year	2004					
50	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.12%
51	Ontario		5.50%	5.50%	13.77%		14.00%
52	Blended rate		18.62%	27.62%	36.06%		36.12%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.200%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,440,009				
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							
61							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: St. Thomas Energy Inc.														Version 2009.1
4	Reporting period: 2004				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		0		0		-91,314		-91,314		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-							-34,040						-34,040
18	Deferral Account Variance Adjustment Q4, 2001 (4)														0
20	Deferral Account Variance Adjustment (5)	+/-							-57,274						-57,274
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		0		-91,314		-91,314		-91,314		-91,314
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment5

## Attachment 5 of 9

# STEI 2005 1562 Disposition PILs Model IR Response



## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	St. Thomas Energy Inc.
OEB File Number	EB-2011-0196
Filing Year	2005

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: St. Thomas Energy Inc.			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3.0000%	
22		LCT			
23					
24	Accounting Year End		Date	31-Dec-05	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			19,293,900	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			1,652,523	
42					
43	1999 return from RUD Sheet #7			1,039,694	1,039,694
44					
45	Total Incremental revenue			612,828	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			204,276	204,276
48	Amount allowed in 2002			204,276	204,276
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			204,000	204,000
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				
52	Other Board-approved changes to MARR or incremental revenue				
53	Permanent Changes to Base Rate (e.g. LPP 5% to 1.5%)				188,744
54	Total Regulatory Income				1,840,990
55					
56	Equity			9,646,950	
57					
58	Return at target ROE			953,119	
59					
60	Debt			9,646,950	
61					
62	Deemed interest amount in 100% of MARR			699,404	
63					
64	Phase-in of interest - Year 1 (2001)			526,491	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			612,947	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			612,947	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			699,404	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2005							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,840,990		721,782		2,562,772	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	899,426		236,927		1,136,353	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	636,607		216,872		853,479	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	699,404		-140,108		559,296	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	C&DM 2005 Incremental OM&A expenses per C&DM Plan	12	68,000		-68,000		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		1,336,405		949,945	Before loss C/F	2,286,350	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		0.0000%		36.12%	
54								
55	REGULATORY INCOME TAX		482,710		343,119	Actual	825,829	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		482,710		343,119	Actual	825,829	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	19,293,900		6,556,773		25,850,673	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	6,975,000		-107,817		6,867,183	
68	Taxable Capital		12,318,900		6,448,956		18,983,490	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		36,957		19,994	Overpaid	56,950	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	19,293,900		-19,293,900			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		0		50,000,000	
77	Taxable Capital		0		-19,293,900		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	Utility Name: St. Thomas Energy Inc.							
7	Reporting period: 2005							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		36.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	755,651			<b>Actual 2005</b>	825,829	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2005</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	36,957			<b>Actual 2005</b>	56,950	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	792,607			<b>Actual 2005</b>	882,779	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from 2005 Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				0.349999729			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,336,405			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	482,709			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	482,709			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	482,710			
147								
148	Regulatory Income Tax Variance			=	-0			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	<b>Utility Name: St. Thomas Energy Inc.</b>							
7	<b>Reporting period: 2005</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	19,293,900			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	11,793,900			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	35,382			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	36,957			
159	Regulatory Ontario Capital Tax Variance			=	-1,575			
160								
161	<b>Federal LCT</b>							
162	Base				19,293,900			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-30,706,100			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				0.349999729			
176								
177	<b>Income Tax (grossed-up)</b>			+	-1			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	-1,575			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-1,576			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-1,576			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				699,404			
194	Interest phased-in (Cell C36)				612,947			
195								
196	Variance due to phase-in of debt component of MARR in rates				86,457			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				559,296			
202	Total deemed interest (REGINFO CELL D61)				699,404			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				86,457			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: St. Thomas Energy Inc.					
8	Reporting period: 2005					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		24,117	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	34,304,407		34,304,407	
32	Distribution Revenue	+			0	
33	Other Income	+	705,043		705,043	
34	Miscellaneous income	+			0	
35	Recovery of regulatory assets	+	593,756		593,756	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	28,709,531		28,709,531	
40	Administration	-	3,143,550		3,143,550	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	1,136,353		1,136,353	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-	51,000		51,000	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,562,772	0	2,562,772	
51	Less: Interest expense for accounting purposes	-	559,296		559,296	
52	Provision for payments in lieu of income taxes	-	825,594		825,594	
53	<b>Net Income (loss)</b>	=	1,177,882	0	1,177,882	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	825,594	0	825,594	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,136,353	0	1,136,353	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		1,961,947	0	1,961,947	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	1,961,947	0	1,961,947	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	853,479		853,479	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b><i>Items on which true-up does not apply "TAXREC 3"</i></b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	853,479	0	853,479	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118					0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	853,479	0	853,479	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	2,286,350	0	2,286,350	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	2,286,350	0	2,286,350	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	505,740		505,740	
143	Net Ontario Income Tax (Must agree with tax return)	+	320,089		320,089	
144	Subtotal	=	825,829	0	825,829	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	825,829	0	825,829	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	Divide Ontario
151	Blended Income Tax Rate		36.12%	*****	36.12%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	825,829	0	825,829	
157	Ontario Capital Tax	+	56,950		56,950	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	882,779	0	882,779	
161						



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: St. Thomas Energy Inc.</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: St. Thomas Energy Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		24,117			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	

	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: St. Thomas Energy Inc.					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		24,117			
12						
13						
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	Other deductions: (Please explain in detail the nature of the item)	-			0	
98		-			0	
99		-			0	
100					0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: St. Thomas Energy Inc.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Income from joint ventures or partnerships	+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: St. Thomas Energy Inc.									
5	Reporting period: 2005									
6										
7										
8	Rates Used in 2005 RAM PILs Applications for 2005									
9	Income Range		0		400,001					
10	RAM 2002		to		to					
11		Year	400,000		1,128,000					
12	Income Tax Rate									
13	Proxy Tax Year	2005								
14	Federal (Includes surtax)		13.12%		17.75%				22.12%	
15	and Ontario blended		5.50%		9.75%				14.00%	
16	Blended rate		18.62%		27.50%				36.12%	
17										
18	Capital Tax Rate		0.300%							
19	LCT rate		0.175%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	6,975,000							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25										
26	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
27	Income Range		0	250,001	400,001					
28	Expected Rates		to	to	to				>1,128,000	
29		Year	250,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)		13.12%	22.12%	22.12%				22.12%	
33	Ontario		5.50%	5.50%	9.75%				14.00%	
34	Blended rate		18.62%	27.62%	31.87%				36.12%	
35										
36	Capital Tax Rate		0.300%							
37	LCT rate		0.225%							
38	Surtax		1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$7.5MM	7,500,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43										
44	Input Information from Utility's Actual 2005 Tax Returns									
45	Income Range		0	250,001	400,001					
46			to	to	to				>1,128,000	
47		Year	250,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%				22.12%	
51	Ontario		5.50%	5.50%	9.75%				14.00%	
52	Blended rate		18.62%	27.62%	31.87%				36.12%	
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	6,867,183							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: St. Thomas Energy Inc.														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=			0		0		0		0		-1,576		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-									0				0
18	Deferral Account Variance Adjustment Q4, 2001 (4)														0
20	Deferral Account Variance Adjustment (5)	+/-									-1,576				-1,576
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		0		0		-1,576		-1,576		-1,576
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment6

## Attachment 6 of 9

# STEI ED Disposition 1562 Balance IR Response

Distributor Information

Applicant Name	St. Thomas Energy Inc.
OEB Licence Number	ED-2002-0523



Table of Contents

Sheet Name	Purpose of Sheet
<a href="#">A1.1 Distributor Information</a>	Enter LDC Data
<a href="#">A2.1 Table of Contents</a>	Table of Contents
<a href="#">A3.1 Prescribed Interest Rates</a>	Prescribed Interest Rates
<a href="#">A3.2 Annual Interest</a>	Annual Interest
<a href="#">A4.1 PILs Tax Proxy</a>	PILs Tax Proxy
<a href="#">B1.1 Rate Classes</a>	Set Up Rate Classes
<a href="#">C1.1 2002 PILs Recovered</a>	2002 PILs Recoverd
<a href="#">C1.2 2003 PILs Recovered</a>	2003 PILs Recovered
<a href="#">C1.3 Jan to Mar 2004 PILs Rec</a>	Jan to Mar 2004 PILs Recovered
<a href="#">C1.4 Apr to Dec 2004 PILs Rec</a>	Apr to Dec 2004 PILs Recovered
<a href="#">C1.5 Jan To Mar 2005 PILs Rec</a>	Jan To Mar 2005 PILs Recovered
<a href="#">C1.6 Apr to Dec 2005 PILs Rec</a>	Apr to Dec 2005 PILs Recovered
<a href="#">C1.7 Jan To Apr 2006 PILs Rec</a>	Jan To Apr 2006 PILs Recovered
<a href="#">D1.1 Total PIL's Recovered</a>	Total PIL's Recovered
<a href="#">D1.2 Total PIL's By Year</a>	Total PIL's By Year
<a href="#">E1.1 Disp of 1562 Balance</a>	Disposition of Balance Recorded in Account 1562 Deferred PILs
<a href="#">F1.1 Calc Carry Cost 2001</a>	Calculate Carrying Cost 2001
<a href="#">F1.2 Calc Carry Cost 2002</a>	Calculate Carrying Cost 2002
<a href="#">F1.3 Calc Carry Cost 2003</a>	Calculate Carrying Cost 2003
<a href="#">F1.4 Calc Carry Cost 2004</a>	Calculate Carrying Cost 2004
<a href="#">F1.5 Calc Carry Cost 2005</a>	Calculate Carrying Cost 2005
<a href="#">F1.6 Calc Carry Cost 2006</a>	Calculate Carrying Cost 2006
<a href="#">F1.7 Calc Carry Cost 2007</a>	Calculate Carrying Cost 2007
<a href="#">F1.8 Calc Carry Cost 2008</a>	Calculate Carrying Cost 2008
<a href="#">F1.9 Calc Carry Cost 2009</a>	Calculate Carrying Cost 2009
<a href="#">F1.10 Calc Carry Cost 2010</a>	Calculate Carrying Cost 2010
<a href="#">F1.11 Calc Carry Cost 2011</a>	Calculate Carrying Cost 2011
<a href="#">F1.12 Calc Carry Cost 2012</a>	Calculate Carrying Cost 2012
<a href="#">G1.1 Request for Disposition</a>	Request for Disposition of 1562 Balance

**Name of LDC: St. Thomas Energy Inc.****OEB Licence Number: ED-2002-0523**

## Prescribed Interest Rates

Approved Deferral and Variance Accounts Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)	
Q3 2001	7.25
Q2 2006	4.14
Q3 2006	4.59
Q4 2006	4.59
Q1 2007	4.59
Q2 2007	4.59
Q3 2007	4.59
Q4 2007	5.14
Q1 2008	5.14
Q2 2008	4.08
Q3 2008	3.35
Q4 2008	3.35
Q1 2009	2.45
Q2 2009	1.00
Q3 2009	0.55
Q4 2009	0.55
Q1 2010	0.55
Q2 2010	0.55
Q3 2010	0.89
Q4 2010	1.20
Q1 2011	1.47
Q2 2011	1.47
Q3 2011	1.47
Q4 2011	1.47
Q1 2012	1.47
Q2 2012	1.47



Name of LDC: St. Thomas Energy Inc.

OEB Licence Number: ED-2002-0523

## Annual Interest

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2001	0.00	0.00%	0.00%
February 28, 2001	0.00	0.00%	0.00%
March 31, 2001	0.00	0.00%	0.00%
April 30, 2001	0.00	0.00%	0.00%
May 31, 2001	0.00	0.00%	0.00%
June 30, 2001	0.00	0.00%	0.00%
July 31, 2001	0.00	0.00%	0.00%
August 31, 2001	0.00	0.00%	0.00%
September 30, 2001	0.00	0.00%	0.00%
October 31, 2001	7.25	0.62%	0.62%
November 30, 2001	7.25	0.60%	1.21%
December 31, 2001	7.25	0.62%	1.83%
<b>Effective Annual Interest</b>		<b>1.83%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2002	7.25	0.62%	0.62%
February 28, 2002	7.25	0.56%	1.17%
March 31, 2002	7.25	0.62%	1.79%
April 30, 2002	7.25	0.60%	2.38%
May 31, 2002	7.25	0.62%	3.00%
June 30, 2002	7.25	0.60%	3.60%
July 31, 2002	7.25	0.62%	4.21%
August 31, 2002	7.25	0.62%	4.83%
September 30, 2002	7.25	0.60%	5.42%
October 31, 2002	7.25	0.62%	6.04%
November 30, 2002	7.25	0.60%	6.63%
December 31, 2002	7.25	0.62%	7.25%
<b>Effective Annual Interest</b>		<b>7.25%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2003	7.25	0.62%	0.62%
February 28, 2003	7.25	0.56%	1.17%
March 31, 2003	7.25	0.62%	1.79%
April 30, 2003	7.25	0.60%	2.38%
May 31, 2003	7.25	0.62%	3.00%
June 30, 2003	7.25	0.60%	3.60%
July 31, 2003	7.25	0.62%	4.21%
August 31, 2003	7.25	0.62%	4.83%
September 30, 2003	7.25	0.60%	5.42%
October 31, 2003	7.25	0.62%	6.04%
November 30, 2003	7.25	0.60%	6.63%
December 31, 2003	7.25	0.62%	7.25%
<b>Effective Annual Interest</b>		<b>7.25%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2004	7.25	0.62%	0.62%
February 29, 2004	7.25	0.58%	1.19%
March 31, 2004	7.25	0.62%	1.81%
April 30, 2004	7.25	0.60%	2.40%
May 31, 2004	7.25	0.62%	3.02%
June 30, 2004	7.25	0.60%	3.62%
July 31, 2004	7.25	0.62%	4.23%
August 31, 2004	7.25	0.62%	4.85%
September 30, 2004	7.25	0.60%	5.44%
October 31, 2004	7.25	0.62%	6.06%
November 30, 2004	7.25	0.60%	6.65%
December 31, 2004	7.25	0.62%	7.27%
<b>Effective Annual Interest</b>		<b>7.27%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2005	7.25	0.62%	0.62%
February 28, 2005	7.25	0.56%	1.17%
March 31, 2005	7.25	0.62%	1.79%
April 30, 2005	7.25	0.60%	2.38%
May 31, 2005	7.25	0.62%	3.00%
June 30, 2005	7.25	0.60%	3.60%
July 31, 2005	7.25	0.62%	4.21%
August 31, 2005	7.25	0.62%	4.83%
September 30, 2005	7.25	0.60%	5.42%
October 31, 2005	7.25	0.62%	6.04%
November 30, 2005	7.25	0.60%	6.63%
December 31, 2005	7.25	0.62%	7.25%
<b>Effective Annual Interest</b>		<b>7.25%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2006	7.25	0.62%	0.62%
February 28, 2006	7.25	0.56%	1.17%
March 31, 2006	7.25	0.62%	1.79%
April 30, 2006	4.14	0.34%	2.13%
May 31, 2006	4.14	0.35%	2.48%
June 30, 2006	4.14	0.34%	2.82%
July 31, 2006	4.59	0.39%	3.21%
August 31, 2006	4.59	0.39%	3.60%
September 30, 2006	4.59	0.38%	3.98%
October 31, 2006	4.59	0.39%	4.37%
November 30, 2006	4.59	0.38%	4.74%
December 31, 2006	4.59	0.39%	5.13%
<b>Effective Annual Interest</b>		<b>5.13%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2007	4.59	0.39%	0.39%
February 28, 2007	4.59	0.35%	0.74%
March 31, 2007	4.59	0.39%	1.13%
April 30, 2007	4.59	0.38%	1.51%
May 31, 2007	4.59	0.39%	1.90%
June 30, 2007	4.59	0.38%	2.28%

July 31, 2007	4.59	0.39%	2.67%
August 31, 2007	4.59	0.39%	3.06%
September 30, 2007	4.59	0.38%	3.43%
October 31, 2007	5.14	0.44%	3.87%
November 30, 2007	5.14	0.42%	4.29%
December 31, 2007	5.14	0.44%	4.73%
<b>Effective Annual Interest</b>		<b>4.73%</b>	

<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2008	5.14	0.44%	0.44%
February 29, 2008	5.14	0.41%	0.84%
March 31, 2008	5.14	0.44%	1.28%
April 30, 2008	4.08	0.34%	1.62%
May 31, 2008	4.08	0.35%	1.96%
June 30, 2008	4.08	0.34%	2.30%
July 31, 2008	3.35	0.28%	2.58%
August 31, 2008	3.35	0.28%	2.87%
September 30, 2008	3.35	0.28%	3.14%
October 31, 2008	3.35	0.28%	3.43%
November 30, 2008	3.35	0.28%	3.70%
December 31, 2008	3.35	0.28%	3.99%
<b>Effective Annual Interest</b>		<b>3.99%</b>	

<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2009	2.45	0.21%	0.21%
February 28, 2009	2.45	0.19%	0.40%
March 31, 2009	2.45	0.21%	0.60%
April 30, 2009	1.00	0.08%	0.69%
May 31, 2009	1.00	0.08%	0.77%
June 30, 2009	1.00	0.08%	0.85%
July 31, 2009	0.55	0.05%	0.90%
August 31, 2009	0.55	0.05%	0.95%
September 30, 2009	0.55	0.05%	0.99%
October 31, 2009	0.55	0.05%	1.04%
November 30, 2009	0.55	0.05%	1.08%
December 31, 2009	0.55	0.05%	1.13%
<b>Effective Annual Interest</b>		<b>1.13%</b>	

<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2010	0.55	0.05%	0.05%
February 28, 2010	0.55	0.04%	0.09%
March 31, 2010	0.55	0.05%	0.14%
April 30, 2010	0.55	0.05%	0.18%
May 31, 2010	0.55	0.05%	0.23%
June 30, 2010	0.55	0.05%	0.27%
July 31, 2010	0.89	0.08%	0.35%
August 31, 2010	0.89	0.08%	0.42%
September 30, 2010	0.89	0.07%	0.50%
October 31, 2010	1.20	0.10%	0.60%
November 30, 2010	1.20	0.10%	0.70%
December 31, 2010	1.20	0.10%	0.80%
<b>Effective Annual Interest</b>		<b>0.80%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2011	1.47	0.12%	0.12%
February 28, 2011	1.47	0.11%	0.24%
March 31, 2011	1.47	0.12%	0.36%
April 30, 2011	1.47	0.12%	0.48%
May 31, 2011	1.47	0.12%	0.61%
June 30, 2011	1.47	0.12%	0.73%
July 31, 2011	1.47	0.12%	0.85%
August 31, 2011	1.47	0.12%	0.98%
September 30, 2011	1.47	0.12%	1.10%
October 31, 2011	1.47	0.12%	1.22%
November 30, 2011	1.47	0.12%	1.35%
December 31, 2011	1.47	0.12%	1.47%
<b>Effective Annual Interest</b>		<b>1.47%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2012	1.47	0.12%	0.12%
February 29, 2012	1.47	0.12%	0.24%
March 31, 2012	1.47	0.12%	0.37%
April 30, 2012	1.47	0.12%	0.49%
May 31, 2012	0.00	0.00%	0.49%
June 30, 2012	0.00	0.00%	0.49%
July 31, 2012	0.00	0.00%	0.49%
August 31, 2012	0.00	0.00%	0.49%
September 30, 2012	0.00	0.00%	0.49%
October 31, 2012	0.00	0.00%	0.49%
November 30, 2012	0.00	0.00%	0.49%
December 31, 2012	0.00	0.00%	0.49%
<b>Effective Annual Interest</b>		<b>0.49%</b>	

**Name of LDC: St. Thomas Energy Inc.**

**OEB Licence Number: ED-2002-0523**

### **PILs Tax Proxy**

	Year	Amount
Board-approved PILs tax proxy from Decisions	2001	203,311
Board-approved PILs tax proxy from Decisions	2002	771,965
Board-approved PILs tax proxy from Decisions	2005	792,607



**Name of LDC: St. Thomas Energy Inc.**

**OEB Licence Number: ED-2002-0523**

## Rate Class Selection

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Residential	Customer	kWh
GSLT50	General Service Less Than 50 kW	Customer	kWh
GSGT50	General Service 50 to 4,999 kW	Customer	kW
GSGT50	General Service 50 to 4,999 kW - Time of Use	Customer	kW
LU	Large Use	Customer	kW
USL	Unmetered Scattered Load	Connection	kWh
Sen	Sentinel Lighting	Connection	kW
SL	Street Lighting	Connection	kW
NA	Rate Class 9	NA	NA
NA	Rate Class 10	NA	NA
NA	Rate Class 11	NA	NA
NA	Rate Class 12	NA	NA
NA	Rate Class 13	NA	NA
NA	Rate Class 14	NA	NA
NA	Rate Class 15	NA	NA
NA	Rate Class 16	NA	NA
NA	Rate Class 17	NA	NA
NA	Rate Class 18	NA	NA
NA	Rate Class 19	NA	NA
NA	Rate Class 20	NA	NA
NA	Rate Class 21	NA	NA
NA	Rate Class 22	NA	NA
NA	Rate Class 23	NA	NA
NA	Rate Class 24	NA	NA
NA	Rate Class 25	NA	NA

Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

PILs Recovered March to December 2002

Rate Class	Fixed Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Monthly Service Charge	Cust/Conn Billed D	PILs Recovered E = C * D
Residential	Customer	0.474224	1.800612	2.274836	0.0000	6,609	15,034
General Service Less Than 50 kW	Customer	0.401318	1.523791	1.925109	0.00	925	1,781
General Service 50 to 4,999 kW	Customer	2.052040	7.791530	9.843570	0.00	140	1,378
General Service 50 to 4,999 kW - Time of Use	Customer	22.560229	85.660467	108.220695	0.00	20	2,164
Large Use	Customer	0.000000	0.000000	0.000000	0.00	1	0
Unmetered Scattered Load	Connection	0.401318	1.523791	1.925109	0.00	74	142
Sentinel Lighting	Connection	0.048054	0.182459	0.230513	0.00	39	9
Street Lighting	Connection	0.011891	0.045150	0.057041	0.00	4,313	246
						12,121	20,755

Rate Class	Vol Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Distribution Charge	kWh/kW Billed Mar to Dec 2002 D	PILs Recovered E = C * D
Residential	kWh	0.000471	0.001788	0.002259	0.0000	4,346,572	9,818
General Service Less Than 50 kW	kWh	0.000348	0.001322	0.001670	0.0000	1,948,089	3,253
General Service 50 to 4,999 kW	kW	0.153165	0.581562	0.734726	0.0000	12,079	8,875
General Service 50 to 4,999 kW - Time of Use	kW	0.107301	0.407418	0.514719	0.0000	19,327	9,948
Large Use	kW	0.019932	0.075682	0.095614	0.0000	4,351	416
Unmetered Scattered Load	kWh	0.000348	0.001322	0.001670	0.0000	43,049	72
Sentinel Lighting	kW	0.208591	0.792012	1.000603	0.0000	17	17
Street Lighting	kW	0.009608	0.036480	0.046088	0.0000	637	29
						6,374,121	32,428

53,183

Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

PILs Recovered 2003

Rate Class	Fixed Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Monthly Service Charge	Cust/Conn Billed D	PILs Recovered E = C * D
Residential	Customer	0.474224	1.800612	2.274836	0.0000	159,709	363,312
General Service Less Than 50 kW	Customer	0.401318	1.523791	1.925109	0.0000	18,551	35,713
General Service 50 to 4,999 kW	Customer	2.052040	7.791530	9.843570	0.0000	1,847	18,181
General Service 50 to 4,999 kW - Time of Use	Customer	22.560229	85.660467	108.220695	0.0000	242	26,189
Large Use	Customer	0.000000	0.000000	0.000000	0.0000	12	0
Unmetered Scattered Load	Connection	0.401318	1.523791	1.925109	0.0000	706	1,359
Sentinel Lighting	Connection	0.048054	0.182459	0.230513	0.0000	444	102
Street Lighting	Connection	0.011891	0.045150	0.057041	0.0000	52,546	2,997
						234,057	447,854

Rate Class	Vol Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Distribution Charge	kWh/kW Billed 2003 D	PILs Recovered E = C * D
Residential	kWh	0.000471	0.001788	0.002259	0.0000	109,747,734	247,900
General Service Less Than 50 kW	kWh	0.000348	0.001322	0.001670	0.0000	39,189,417	65,430
General Service 50 to 4,999 kW	kW	0.153165	0.581562	0.734726	0.0000	169,258	124,358
General Service 50 to 4,999 kW - Time of Use	kW	0.107301	0.407418	0.514719	0.0000	241,916	124,519
Large Use	kW	0.019932	0.075682	0.095614	0.0000	63,303	6,053
Unmetered Scattered Load	kWh	0.000348	0.001322	0.001670	0.0000	428,115	715
Sentinel Lighting	kW	0.208591	0.792012	1.000603	0.0000	120	120
Street Lighting	kW	0.009608	0.036480	0.046088	0.0000	7,785	359
						149,847,648	569,454

1,017,307

Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

## PILs Recovered January to March 2004

Rate Class	Fixed Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2004 <b>D</b>	PILs Recovered <b>E = C * D</b>
Residential	Customer	0.474224	1.800612	2.274836	0.0000	53,902	122,618
General Service Less Than 50 kW	Customer	0.401318	1.523791	1.925109	0.0000	6,355	12,234
General Service 50 to 4,999 kW	Customer	2.052040	7.791530	9.843570	0.0000	626	6,162
General Service 50 to 4,999 kW - Time of Use	Customer	22.560229	85.660467	108.220695	0.0000	80	8,658
Large Use	Customer	0.000000	0.000000	0.000000	0.0000	3	0
Unmetered Scattered Load	Connection	0.401318	1.523791	1.925109	0.0000	186	358
Sentinel Lighting	Connection	0.048054	0.182459	0.230513	0.0000	111	26
Street Lighting	Connection	0.011891	0.045150	0.057041	0.0000	17,781	1,014
						79,044	151,070

Rate Class	Vol Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Distribution Charge	kWh/kW Billed Jan To Mar 2004 <b>D</b>	PILs Recovered <b>E = C * D</b>
Residential	kWh	0.000471	0.001788	0.002259	0.0000	29,664,821	67,007
General Service Less Than 50 kW	kWh	0.000348	0.001322	0.001670	0.0000	10,597,325	17,693
General Service 50 to 4,999 kW	kW	0.153165	0.581562	0.734726	0.0000	42,724	31,390
General Service 50 to 4,999 kW - Time of Use	kW	0.107301	0.407418	0.514719	0.0000	56,924	29,300
Large Use	kW	0.019932	0.075682	0.095614	0.0000	13,533	1,294
Unmetered Scattered Load	kWh	0.000348	0.001322	0.001670	0.0000	95,943	160
Sentinel Lighting	kW	0.208591	0.792012	1.000603	0.0000	30	30
Street Lighting	kW	0.009608	0.036480	0.046088	0.0000	1,978	91
						40,473,279	146,966

298,036

**PILs Recovered April to December 2004**

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2004 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2004 <b>B</b>	PILs Recovered <b>C = A * B * 9</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW - Time of Use	Customer	0.000000	0.0000	0	0
Large Use	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<u>0</u>	<u>0</u>

Rate Class	Vol Metric	PILs Rate Apr to Dec 2004 <b>A</b>	Distribution Charge	kWh/kW Billed Apr To Dec 2004 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.004327	0.0000	75,827,602	328,135
General Service Less Than 50 kW	kWh	0.003320	0.0000	28,721,493	95,363
General Service 50 to 4,999 kW	kW	0.352724	0.0000	128,649	45,378
General Service 50 to 4,999 kW - Time of Use	kW	0.375330	0.0000	178,237	66,898
Large Use	kW	0.100176	0.0000	50,448	5,054
Unmetered Scattered Load	kWh	0.003320	0.0000	231,481	769
Sentinel Lighting	kW	1.572748	0.0000	90	142
Street Lighting	kW	0.294697	0.0000	5,990	1,765
				<u>105,143,990</u>	<u>543,503</u>

543,503

**PILs Recovered January to March 2005**

Rate Class	Fixed Metric	PILs Rate Jan To Mar <b>A</b>	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2005 <b>B</b>	PILs Recovered <b>C = A * B * 3</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW - Time of Use	Customer	0.000000	0.0000	0	0
Large Use	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<u>0</u>	<u>0</u>

Rate Class	Vol Metric	PILs Rate Jan To Mar <b>A</b>	Distribution Charge	kWh/kW Billed Jan To Mar <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.004327	0.0000	31,239,023	135,183
General Service Less Than 50 kW	kWh	0.003320	0.0000	10,719,988	35,593
General Service 50 to 4,999 kW	kW	0.352724	0.0000	43,848	15,466
General Service 50 to 4,999 kW - Time of Use	kW	0.375330	0.0000	56,137	21,070
Large Use	kW	0.100176	0.0000	15,172	1,520
Unmetered Scattered Load	kWh	0.003320	0.0000	76,191	253
Sentinel Lighting	kW	1.572748	0.0000	33	52
Street Lighting	kW	0.294697	0.0000	2,004	591
				<u>42,152,396</u>	<u>209,728</u>

209,728

## PILs Recovered April to December 2005

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2005 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2005 <b>B</b>	PILs Recovered <b>C = A * B * 9</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW - Time of Use	Customer	0.000000	0.0000	0	0
Large Use	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<u>0</u>	<u>0</u>

Rate Class	Vol Metric	PILs Rate Apr to Dec 2005 <b>A</b>	Distribution Charge	kWh/kW Billed Apr To Dec 2005 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.004646	0.0000	86,391,733	401,378
General Service Less Than 50 kW	kWh	0.002971	0.0000	29,909,052	88,851
General Service 50 to 4,999 kW	kW	0.376345	0.0000	133,447	50,222
General Service 50 to 4,999 kW - Time of Use	kW	0.377106	0.0000	177,982	67,118
Large Use	kW	0.026033	0.0000	54,489	1,419
Unmetered Scattered Load	kWh	0.002971	0.0000	228,573	679
Sentinel Lighting	kW	0.000000	0.0000	99	0
Street Lighting	kW	0.379980	0.0000	6,069	2,306
				<u>116,901,444</u>	<u>611,973</u>

611,973



## PILs Recovered January to April 2006

Rate Class	Fixed Metric	PILs Rate Jan To Apr 2006 <b>A</b>	Monthly Service Charge	Cust/Conn Billed <b>B</b>	PILs Recovered <b>C = A * B * 4</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW - Time of Use	Customer	0.000000	0.0000	0	0
Large Use	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<u>0</u>	<u>0</u>

Rate Class	Vol Metric	PILs Rate Jan To Apr 2006 <b>A</b>	Distribution Charge	kWh/kW Billed Jan To Apr 2006 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.004646	0.0000	49,060,193	227,935
General Service Less Than 50 kW	kWh	0.002971	0.0000	17,146,580	50,938
General Service 50 to 4,999 kW	kW	0.376345	0.0000	73,294	27,584
General Service 50 to 4,999 kW - Time of Use	kW	0.377106	0.0000	96,899	36,541
Large Use	kW	0.026033	0.0000	22,584	588
Unmetered Scattered Load	kWh	0.002971	0.0000	124,327	369
Sentinel Lighting	kW	0.000000	0.0000	55	0
Street Lighting	kW	0.379980	0.0000	3,389	1,288
				<u>66,527,321</u>	<u>345,242</u>

345,242



Total PIL's Recoverd

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec	PILs Recovered Jan to Mar	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	15,034	363,312	122,618	0	0	0	0	500,964
General Service Less Than 50 kW	Customer	1,781	35,713	12,234	0	0	0	0	49,727
General Service 50 to 4,999 kW	Customer	1,378	18,181	6,162	0	0	0	0	25,721
General Service 50 to 4,999 kW - Time of Use	Customer	2,164	26,189	8,658	0	0	0	0	37,011
Large Use	Customer	0	0	0	0	0	0	0	0
Unmetered Scattered Load	Connection	142	1,359	358	0	0	0	0	1,860
Sentinel Lighting	Connection	9	102	26	0	0	0	0	137
Street Lighting	Connection	246	2,997	1,014	0	0	0	0	4,258
		20,755	447,854	151,070	0	0	0	0	619,679

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec	PILs Recovered Jan to Mar	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	9,818	247,900	67,007	328,135	135,183	401,378	227,935	1,417,357
General Service Less Than 50 kW	kWh	3,253	65,430	17,693	95,363	35,593	88,851	50,938	357,122
General Service 50 to 4,999 kW	kW	8,875	124,358	31,390	45,378	15,466	50,222	27,584	303,273
General Service 50 to 4,999 kW - Time of Use	kW	9,948	124,519	29,300	66,898	21,070	67,118	36,541	355,393
Large Use	kW	416	6,053	1,294	5,054	1,520	1,419	588	16,343
Unmetered Scattered Load	kWh	72	715	160	769	253	679	369	3,017
Sentinel Lighting	kW	17	120	30	142	52	0	0	361
Street Lighting	kW	29	359	91	1,765	591	2,306	1,288	6,429
		32,428	569,454	146,966	543,503	209,728	611,973	345,242	2,459,294

Rate Class	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec	PILs Recovered Jan to Mar	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	24,852	611,212	189,626	328,135	135,183	401,378	227,935	1,918,321
General Service Less Than 50 kW	5,033	101,143	29,927	95,363	35,593	88,851	50,938	406,849
General Service 50 to 4,999 kW	10,253	142,539	37,553	45,378	15,466	50,222	27,584	328,994
General Service 50 to 4,999 kW - Time of Use	12,112	150,708	37,958	66,898	21,070	67,118	36,541	392,405
Large Use	416	6,053	1,294	5,054	1,520	1,419	588	16,343
Unmetered Scattered Load	214	2,074	518	769	253	679	369	4,876
Sentinel Lighting	26	222	56	142	52	0	0	497
Street Lighting	275	3,356	1,105	1,765	591	2,306	1,288	10,687
	53,183	1,017,307	298,036	543,503	209,728	611,973	345,242	3,078,973

Total PIL's Recoverd by Year

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec	PILs Recovered Jan to Dec	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	15,034	363,312	122,618	0	0	500,964
General Service Less Than 50 kW	Customer	1,781	35,713	12,234	0	0	49,727
General Service 50 to 4,999 kW	Customer	1,378	18,181	6,162	0	0	25,721
General Service 50 to 4,999 kW - Time of Use	Customer	2,164	26,189	8,658	0	0	37,011
Large Use	Customer	0	0	0	0	0	0
Unmetered Scattered Load	Connection	142	1,359	358	0	0	1,860
Sentinel Lighting	Connection	9	102	26	0	0	137
Street Lighting	Connection	246	2,997	1,014	0	0	4,258
		20,755	447,854	151,070	0	0	619,679

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec	PILs Recovered Jan to Dec	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	9,818	247,900	395,143	536,561	227,935	1,417,357
General Service Less Than 50 kW	kWh	3,253	65,430	113,057	124,445	50,938	357,122
General Service 50 to 4,999 kW	kW	8,875	124,358	76,768	65,688	27,584	303,273
General Service 50 to 4,999 kW - Time of Use	kW	9,948	124,519	96,198	88,188	36,541	355,393
Large Use	kW	416	6,053	6,348	2,938	588	16,343
Unmetered Scattered Load	kWh	72	715	929	932	369	3,017
Sentinel Lighting	kW	17	120	172	52	0	361
Street Lighting	kW	29	359	1,856	2,897	1,288	6,429
		32,428	569,454	690,469	821,701	345,242	2,459,294

Rate Class	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec	PILs Recovered Jan to Mar	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	24,852	611,212	517,761	536,561	227,935	1,918,321
General Service Less Than 50 kW	5,033	101,143	125,291	124,445	50,938	406,849
General Service 50 to 4,999 kW	10,253	142,539	82,930	65,688	27,584	328,994
General Service 50 to 4,999 kW - Time of Use	12,112	150,708	104,855	88,188	36,541	392,405
Large Use	416	6,053	6,348	2,938	588	16,343
Unmetered Scattered Load	214	2,074	1,287	932	369	4,876
Sentinel Lighting	26	222	197	52	0	497
Street Lighting	275	3,356	2,871	2,897	1,288	10,687
	53,183	1,017,307	841,539	821,701	345,242	3,078,973

Disposition of Balance Recorded in Account 1562 Deferred PILs

Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/05/2006	01/01/2007	01/01/2008	01/01/2009	01/01/2010	01/01/2011	01/01/2012
Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	30/04/2012
Principal Opening balance: # 1562	=		210,909	891,840	779,080	669,020	633,189	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Board-approved PILs tax proxy from	+/-	203,311	771,965	975,276	822,793	787,447	264,202							
True-up Variance Adjustment Q4, 2001 <sup>(2)</sup>	+/-	21,290						0	0	0	0	0	0	0
True-up Variance Adjustment <sup>(3)</sup>	+/-		-37,852	-34,779	-34,040	0		0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001 <sup>(4)</sup>	+/-	-13,691						0	0	0	0	0	0	0
Deferral Account Variance Adjustment <sup>(5)</sup>	+/-		0	-35,950	-57,274	-1,576		0	0	0	0	0	0	0
Adjustments to reported prior years <sup>†</sup>	+/-							0	0	0	0	0	0	0
PILs collected from customers - Proxy <sup>(6)</sup>	-	0	-53,183	-1,017,307	-841,539	-821,701	-345,242	0	0	0	0	0	0	0
Principal Ending balance: # 1562		210,909	891,840	779,080	669,020	633,189	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Principal Opening balance: # 1562		0	1,285	39,630	100,524	150,302	197,453	210,358	226,955	253,064	275,080	281,323	285,738	293,855
Carrying charges <sup>(7)</sup>	+/-	1,285	38,346	60,894	49,778	47,152	12,905	16,596	26,109	22,017	6,243	4,415	8,117	2,691
Principal Ending balance: # 1562		1,285	39,630	100,524	150,302	197,453	210,358	226,955	253,064	275,080	281,323	285,738	293,855	296,545

**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.  
For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. **ANSWER:** Method #3

- (1)

(i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.  
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. Per APH entries began October 1, 2001.

(ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.

(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.

(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.

(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.

(vi) Column M - In 2006, the prorated 2005 PILs tax proxy will used for the period from January 1, 2006 to April 30, 2006.
- (2)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet.  
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I182, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- (5)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I182, of the TAXCALC spreadsheet.  
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (6)

The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- (7)

Carrying charges are calculated on a simple interest basis.
- (8)

(i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.  
The 2005 PILs tax proxy is being recovered on a volumetric basis by class. Input negative number for collections.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
- In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
- In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- In 2006, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period January 1 to April 30, 2006.

**Name of LDC:** St. Thomas Energy Inc.

**OEB Licence Number: ED-2002-0523**

## Calculate Carrying Cost 2001

[illegible]

Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

## Calculate Carrying Cost 2002

Month		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	210,909	272,085	333,261	389,119	444,977	500,835	556,693	612,551	668,409	724,266	780,124	835,982	210,909
Board-approved PILs tax proxy from Decisions(1)	+/-	64,330	64,330	64,330	64,330	64,330	64,330	64,330	64,330	64,330	64,330	64,330	64,330	771,965
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	-3,154	-3,154	-3,154	-3,154	-3,154	-3,154	-3,154	-3,154	-3,154	-3,154	-3,154	-3,154	-37,852
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	-5,318	-5,318	-5,318	-5,318	-5,318	-5,318	-5,318	-5,318	-5,318	-5,318	-53,183
Principal Ending balance: # 1562		272,085	333,261	389,119	444,977	500,835	556,693	612,551	668,409	724,266	780,124	835,982	891,840	891,840
Interest on Opening Balance		1,299	1,513	2,052	2,319	2,740	2,984	3,428	3,772	3,983	4,460	4,649	5,148	38,346
Cummulative Interest This Year		1,299	2,812	4,864	7,183	9,923	12,907	16,335	20,107	24,090	28,549	33,198	38,346	
Cummulative Interest Life to Date		2,583	4,097	6,149	8,467	11,207	14,192	17,620	21,391	25,374	29,834	34,483	39,630	



Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

## Calculate Carrying Cost 2003

Month		Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	891,840	882,443	873,047	863,650	854,253	844,857	835,460	826,063	816,667	807,270	797,873	788,477	891,840
Board-approved PILs tax proxy from Decisions(1)	+/-	81,273	81,273	81,273	81,273	81,273	81,273	81,273	81,273	81,273	81,273	81,273	81,273	975,276
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	-2,898	-2,898	-2,898	-2,898	-2,898	-2,898	-2,898	-2,898	-2,898	-2,898	-2,898	-2,898	-34,779
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-2,996	-2,996	-2,996	-2,996	-2,996	-2,996	-2,996	-2,996	-2,996	-2,996	-2,996	-2,996	-35,950
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-84,776	-84,776	-84,776	-84,776	-84,776	-84,776	-84,776	-84,776	-84,776	-84,776	-84,776	-84,776	-1,017,307
Principal Ending balance: # 1562		882,443	873,047	863,650	854,253	844,857	835,460	826,063	816,667	807,270	797,873	788,477	779,080	779,080
Interest on Opening Balance		5,492	4,908	5,376	5,146	5,260	5,034	5,144	5,087	4,866	4,971	4,754	4,855	60,894
Cummulative Interest This Year		5,492	10,399	15,775	20,922	26,182	31,216	36,360	41,447	46,313	51,284	56,039	60,894	
Cummulative Interest Life to Date		45,122	50,030	55,406	60,552	65,812	70,847	75,991	81,077	85,944	90,915	95,669	100,524	

Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

## Calculate Carrying Cost 2004

Month		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.58%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	779,080	740,691	702,303	663,914	664,481	665,048	665,616	666,183	666,750	667,318	667,885	668,452	779,080
Board-approved PILs tax proxy from Decisions(1)	+/-	68,566	68,566	68,566	68,566	68,566	68,566	68,566	68,566	68,566	68,566	68,566	68,566	822,793
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-34,040
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-4,773	-4,773	-4,773	-4,773	-4,773	-4,773	-4,773	-4,773	-4,773	-4,773	-4,773	-4,773	-57,274
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-99,345	-99,345	-99,345	-60,389	-60,389	-60,389	-60,389	-60,389	-60,389	-60,389	-60,389	-60,389	-841,539
Principal Ending balance: # 1562		740,691	702,303	663,914	664,481	665,048	665,616	666,183	666,750	667,318	667,885	668,452	669,020	669,020
Interest on Opening Balance		4,797	4,267	4,324	3,956	4,092	3,963	4,099	4,102	3,973	4,109	3,980	4,116	49,778
Cummulative Interest This Year		4,797	9,064	13,388	17,344	21,436	25,399	29,498	33,600	37,573	41,682	45,662	49,778	
Cummulative Interest Life to Date		105,321	109,588	113,912	117,869	121,960	125,923	130,022	134,124	138,097	142,206	146,186	150,302	

Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

## Calculate Carrying Cost 2005

Month		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	669,020	664,599	660,179	655,759	653,251	650,744	648,236	645,728	643,220	640,713	638,205	635,697	669,020
Board-approved PILs tax proxy from Decisions(1)	+/-	65,621	65,621	65,621	65,621	65,621	65,621	65,621	65,621	65,621	65,621	65,621	65,621	787,447
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-131	-131	-131	-131	-131	-131	-131	-131	-131	-131	-131	-131	-1,576
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-69,909	-69,909	-69,909	-67,997	-67,997	-67,997	-67,997	-67,997	-67,997	-67,997	-67,997	-67,997	-821,701
Principal Ending balance: # 1562		664,599	660,179	655,759	653,251	650,744	648,236	645,728	643,220	640,713	638,205	635,697	633,189	633,189
Interest on Opening Balance		4,120	3,696	4,065	3,908	4,022	3,878	3,992	3,976	3,833	3,945	3,803	3,914	47,152
Cummulative Interest This Year		4,120	7,816	11,881	15,788	19,811	23,689	27,680	31,656	35,489	39,434	43,237	47,152	
Cummulative Interest Life to Date		154,421	158,118	162,183	166,090	170,113	173,990	177,982	181,958	185,791	189,736	193,539	197,453	



Name of LDC: St. Thomas Energy Inc.  
OEB Licence Number: ED-2002-0523

## Calculate Carrying Cost 2006

Month	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
Prescribed Rate	7.25%	7.25%	7.25%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Monthly Interest	0.62%	0.56%	0.62%	0.34%	0.35%	0.34%	0.39%	0.39%	0.38%	0.39%	0.38%	0.39%	
Principal Opening balance: # 1562	=	633,189	612,929	592,669	572,409	552,149	552,149	552,149	552,149	552,149	552,149	552,149	633,189
Board-approved PILs tax proxy from Decisions(1)	+/-	66,051	66,051	66,051	66,051	0	0	0	0	0	0	0	264,202
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-86,311	-86,311	-86,311	-86,311	0	0	0	0	0	0	0	-345,242
Principal Ending balance: # 1562		612,929	592,669	572,409	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Interest on Opening Balance		3,899	3,409	3,649	1,948	1,941	1,879	2,152	2,152	2,083	2,152	2,083	29,501
Cummulative Interest This Year		3,899	7,308	10,957	12,905	14,846	16,725	18,878	21,030	23,113	25,266	27,349	29,501
Cummulative Interest Life to Date		201,352	204,761	208,411	210,358	212,300	214,179	216,331	218,484	220,567	222,719	224,802	226,955

**Name of LDC:**      **St. Thomas Energy Inc.**  
**OEB Licence Number:**      **ED-2002-0523**

**Calculate Carrying Cost 2007**

Month		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Prescribed Rate		4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Monthly Interest		0.39%	0.35%	0.39%	0.38%	0.39%	0.38%	0.39%	0.39%	0.38%	0.44%	0.42%	0.44%	
Principal Opening balance: # 1562	=	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Interest on Opening Balance		2,152	1,944	2,152	2,083	2,152	2,083	2,152	2,152	2,083	2,410	2,333	2,410	26,109
Cummulative Interest This Year		2,152	4,097	6,249	8,332	10,485	12,568	14,720	16,873	18,956	21,366	23,699	26,109	
Cummulative Interest Life to Date		229,107	231,051	233,204	235,287	237,439	239,522	241,675	243,827	245,910	248,321	250,653	253,064	

**Name of LDC:**      **St. Thomas Energy Inc.**  
**OEB Licence Number:**      **ED-2002-0523**

**Calculate Carrying Cost 2008**

Month		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Prescribed Rate		5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Monthly Interest		0.44%	0.41%	0.44%	0.34%	0.35%	0.34%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
Principal Opening balance: # 1562	=	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Interest on Opening Balance		2,410	2,255	2,410	1,852	1,913	1,852	1,571	1,571	1,520	1,571	1,520	1,571	22,017
Cummulative Interest This Year		2,410	4,665	7,076	8,927	10,841	12,692	14,263	15,834	17,354	18,925	20,446	22,017	
Cummulative Interest Life to Date		255,474	257,729	260,139	261,991	263,904	265,756	267,327	268,898	270,418	271,989	273,509	275,080	

**Name of LDC:**      **St. Thomas Energy Inc.**  
**OEB Licence Number:**      **ED-2002-0523**

**Calculate Carrying Cost 2009**

Month	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Prescribed Rate	2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Monthly Interest	0.21%	0.19%	0.21%	0.08%	0.08%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
Principal Opening balance: # 1562	=	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>
Interest on Opening Balance		1,149	1,038	1,149	454	469	454	258	258	250	258	250	258
Cummulative Interest This Year		1,149	2,187	3,336	3,789	4,258	4,712	4,970	5,228	5,478	5,736	5,985	6,243
Cummulative Interest Life to Date		276,229	277,267	278,416	278,870	279,339	279,793	280,050	280,308	280,558	280,816	281,066	281,323

**Name of LDC:**      **St. Thomas Energy Inc.**  
**OEB Licence Number:**      **ED-2002-0523**

**Calculate Carrying Cost 2010**

Month	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Prescribed Rate	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Monthly Interest	0.05%	0.04%	0.05%	0.05%	0.05%	0.05%	0.08%	0.08%	0.07%	0.10%	0.10%	0.10%	
Principal Opening balance: # 1562	=	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>
Interest on Opening Balance		258	233	258	250	258	250	417	417	404	563	545	563
Cummulative Interest This Year		258	491	749	998	1,256	1,506	1,923	2,341	2,745	3,307	3,852	4,415
Cummulative Interest Life to Date		281,581	281,814	282,072	282,322	282,580	282,829	283,247	283,664	284,068	284,631	285,175	285,738

**Name of LDC:**      **St. Thomas Energy Inc.**  
**OEB Licence Number:**      **ED-2002-0523**

**Calculate Carrying Cost 2011**

Month	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Prescribed Rate	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Monthly Interest	0.12%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
Principal Opening balance: # 1562	=	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149	552,149
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>	<u>552,149</u>
Interest on Opening Balance		689	623	689	667	689	667	689	689	667	689	667	689
Cummulative Interest This Year		689	1,312	2,001	2,668	3,358	4,025	4,714	5,404	6,071	6,760	7,427	8,117
Cummulative Interest Life to Date		286,427	287,050	287,739	288,407	289,096	289,763	290,452	291,142	291,809	292,498	293,165	293,855

**Name of LDC:** **St. Thomas Energy Inc.**

**OEB Licence Number: ED-2002-0523**

## Calculate Carrying Cost 2012

[illegible]



*ED Disposition 1562 Balance release 1.0 © Elenchus Research Associates*

**Name of LDC: St. Thomas Energy Inc.**

**OEB Licence Number: ED-2002-0523**

## **Request for Disposition of 1562 Balance**

Principal as of April 30, 2012

552,149

Interest as of April 30, 2012

296,545

Amount Requested for Disposition of 1562 Balance

848,695



St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment7

## Attachment 7 of 9

2006\_09\_11\_Siskinds Letter

EMAIL [alec.bildy@siskinds.com](mailto:alec.bildy@siskinds.com)

September 11, 2006

Ministry of Finance  
Regional Tax Office  
200-5 Park Home Avenue  
North York, Ontario  
M2N 6W8  
Attention: Mr. Fabian Balanathan, CGA, CIA, Field Auditor

Dear Sir:

**Re: St. Thomas Energy Inc. – Interest Payments to the City of St. Thomas**

We are counsel to St. Thomas Energy Inc. ("STEI"). Our client has asked us to write to you in respect of the legal right of The Corporation of the City of St. Thomas (the "City") to require STEI to make certain interest payments to it during STEI's 2004 and 2005 fiscal years in respect of interest accrued during the period October 1, 2001 to December 31, 2003.

As you are no doubt aware, this situation arose as a consequence of the enactment of the *Electricity Act, 1998* (Ontario) (the "Act"). Under Part XI of the Act, every municipal corporation that distributed, transmitted or retailed electricity was required to transfer these activities to a corporation established under the *Business Corporations Act* (Ontario) for the purpose of carrying on those activities within a period of two years from the date this legislation came into force. Section 145 of the Act established a mechanism by which these transfers could occur. The relevant portions of Section 145 in this regard are as follows:

145. (1) The council of a municipality may make by-laws transferring employees, assets, liabilities, rights and obligations of the municipal corporation, or of a commission or other body through which the municipal corporation generates, transmits, distributes or retails electricity, to a corporation incorporated under the *Business Corporations Act* pursuant to section 142 for a purpose associated with the generation, transmission, distribution or retailing of electricity by the corporation incorporated pursuant to section 142.

**DIRECT**  
**TELEPHONE** (519) 660-7788  
**FACSIMILE** (519) 660-7789

**HEAD OFFICE**  
**TELEPHONE** (519) 672-2121  
**FACSIMILE** (519) 672-6065

794652v2

...

(3) A transfer by-law is binding on the transferee, the transferor and all other persons.

...

(5) A transfer by-law does not require the consent of the transferor, the transferee or any other person.

The City passed such a transfer by-law on November 6, 2000, namely, By-law 189-2000, being "*A By-law to transfer the employees, assets, liabilities, rights and obligations of the Public Utilities Commission of St. Thomas associated with the distribution, transmission and retailing of electricity to a Business Corporations Act (Ontario) corporation to be incorporated under Section 142(1) of the Electricity Act, 1998*" (the "**Transfer By-law**"). Pursuant to the Transfer By-law, certain specified assets and liabilities associated with the operations conducted by the former Public Utilities Commission of St. Thomas were transferred to STEI.

Section 149 of the Act dealt with the consideration to be paid for assets transferred pursuant to a transfer by-law. Subsection 149(2) provided that a transfer by-law could "provide that the amount of the payment be determined by a person designated by the by-law". Subsection 149(4) specified that where payment was to be made through the issuance of securities, the transfer by-law "may authorize a person designed by the by-law to specify the terms and conditions" of such securities.

Paragraph 23(2)(b) of the City's Transfer By-law required STEI to issue a promissory note to the City as payment for a portion of the purchase price for the assets transferred to it. Paragraph 23(2)(b) went on to provide that such promissory note was to be "in a form and content satisfactory to the City in its sole discretion as evidenced by the written acceptance of such promissory note by the Treasurer of the City".

The promissory note contemplated by this provision, evidencing the \$7,714,426 principal amount owing by STEI to the City and having a maturity date of November 6, 2010, was entered into in May 2004 (the "**Promissory Note**"). The Promissory Note did not specifically address the question of interest owing in respect of the period October 1, 2001 to December 31, 2003. As previously indicated to your office by STEI's auditors, Graham Scott Enns, Chartered Accountants, in their letter of September 23, 2005 addressed to Mr. Ian Tso, no cash amounts had been paid for interest until fiscal 2004 in view of the poor financial results of

STEI during the prior period. It had been the understanding of STEI that unpaid interest from this period would not be considered payable.

Section 32 of the City's Transfer By-law, however, provided that any "consideration or revised consideration payable under this By-law shall be determined by the Treasurer of the City in consultation with the Corporations" (i.e., STEI, St. Thomas Energy Services Inc. and St. Thomas Holding Inc.). Of particular importance, Section 33 of the Transfer By-law specified that all "necessary adjustments to the consideration payable under this By-law shall be made *nunc pro tunc*" (i.e., retroactively). [Emphasis added.]

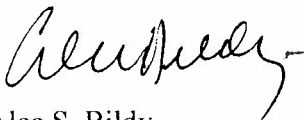
The cumulative effect of the relevant provisions of the Act and the Transfer By-law is that the City had and continues to have the legal right to revise the consideration received or to be received by it from STEI for the transferred electricity assets on a retroactive basis, without requiring the consent of STEI. The City in fact did revise the consideration to be received by it by requiring STEI to make interest payments during fiscal 2004 and 2005 in respect of interest accrued during the period October 1, 2001 to December 31, 2003.

Please contact the writer if you have any questions concerning this matter.

Yours very truly,

SISKINDS LLP

Per:

  
Alec S. Bildy

AB/tf

cc: Mr. Dana Witt, St. Thomas Energy Inc.

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment8

## Attachment 8 of 9

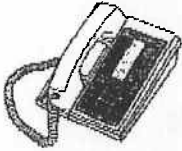
2006\_09\_14\_MofF\_Response



Ontario

Ministry of Finance  
Regional Tax Office  
North York

5 Park Lane Avenue  
3<sup>rd</sup> Floor North York  
Ontario, Canada M2N 6L4



## FAX COVER PAGE

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TO:	Mr. Dana Witt
TITLE:	Controller, St. Thomas Energy Inc.
FAX #:	519-631-4771
PHONE#:	519-631-5550
Re:	St. Thomas Energy Inc.

FROM:	Fabian Balanathan
	Corporations Tax Unit
FAX#:	(416) 730-5575
PHONE#:	(416) 730-5507
DATE:	September 14, 2006

# of pages 4 (including this cover page)

MESSAGE

Hi Dana,

Please find attached a copy of our reply to Saskinds LLP regarding the deductibility of prior years' interest on the Promissory Note issued to the City of St. Thomas.

Regards,

Fabian

**Ministry of Finance**  
North York RTO  
5 Park Home Avenue  
3rd Floor  
North York (Ontario)  
M2N 6L4

**Ministère des Finances**  
North York RTO  
5 avenue Park Home  
3<sup>e</sup> étage  
North York, Ontario  
M2N 6L4



(416) 730-5507

September 14, 2006

Mr. Alec S. Bildy  
c/o Siskinds, LLP  
680 Waterloo Street  
P.O. Box 2520  
London, Ontario N6A 3V8

Dear Mr. Bildy,

**Re: St. Thomas Energy Inc.**  
**Account Number : 1800198**  
**Ontario Tax Audit: Fiscal 2001 to 2003**  
**Interest Payable on Promissory Note**

---

Thank-you for your letter dated September 11, 2006 on behalf of above-noted taxpayer. You have stressed at length the importance of Section 32 and Section 33 in St. Thomas Energy Inc. (STEI) City's Transfer By-law. We agree with you that these are probably the only two relevant sections that could arguably be construed as the City's authority to require STEI to make interest payment during fiscal 2004 *and* 2005 in respect of interest supposedly accrued for fiscal 2001 to 2003.

We are not disputing the fact that the City of St. Thomas has the power and authority to demand interest payment from STEI based on execution of a formal promissory note in April 30, 2004. What we have noticed are that:

1. The promissory note did not specifically address the question of interest owing in respect of the period from October 1, 2001 to December 31, 2003.



2. No cash changed hands with respect to interest exigible until fiscal 2004.
3. The Transfer By-law under Sections 32 and 33 did not specifically refer to interest payable as "consideration", nor did they make any reference to the applicable interest rate. Neither was there any reference to, or a contemplation with respect to retroactive interest adjustment prior to August 31, 2004. The actual wordings used under these two sections are akin to something like "consideration *or revised consideration*", and "adjustments to the consideration". If the intention is to equate "consideration" with interest, then by-law could have been a little more specific in this respect.

The question now becomes whether your client can request us to amend prior years' tax return to take into consideration accrued interest paid in 2004 to offset taxable income filed for fiscal 2001 to 2003. The applicable provision under the Income Tax Act is Clause 20(1)(c)(ii).

Para. 20(1)(c) states that a corporation may deduct interest "paid in the year *or* payable in respect of the year ... pursuant to a legal obligation to pay". This requirement implies that, for a corporation using the accrual method, the interest may be deducted **only if** :

- a) the interest amount relates to the year it is claimed, *and*
- b) if a legal obligation exists in the year with respect to the interest paid/ payable.

In the case of STEI, the promissory note can be considered to be a contract between the City and St. Thomas Energy Inc. The law does not prohibit parties to a contract from agreeing upon an effective date that precedes the date of its execution. While the parties to a contract can agree that it will have retrospective effect, the courts have noted third parties, notably tax authorities, need **not** be bound by retrospective operation of a contract (see Canadian Tax Foundation Conference,

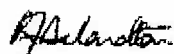


*Mendel v. MNR 1965 DTC 114*). Since the interest in question only became payable in 2004 as a result of a decision made in 2004 to levy interest retroactively, then it would only be deductible in 2004, and only to the extent of interest payable in respect of the period relating to the 2004 taxation year. To put it another way, a corporation cannot enter into a contract whose provisions are not in congruence with the spirit and intent of a taxing statute.

It is with the above in mind that we regrettably confirm to you that we are unable to comply with your client's request to amend the tax returns for 2001 to 2003 with respect to interest paid in 2004 and 2005. I would also like to draw your attention to the fact that fiscal 2001 will become statute-barred on October 4, 2006.

Please feel free to contact the undersigned if further clarification is required.

Yours truly,



Fabian Balanathan  
Corporations Tax Auditor  
Toronto Tax Office

c.c. Mr. Robert Foster, Graham Scott Enns, Chartered Accountants  
Mr. Dana Witt, St. Thomas Energy

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab2

Schedule 1

Attachment9

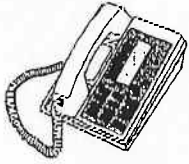
## Attachment 9 of 9

2006\_09\_27\_MofF\_Waiver of Statue B



Ministry of Finance  
Regional Tax Office  
North York

5 Park Home Avenue  
3<sup>rd</sup> Floor, North York  
Ontario, Canada M2N 6L4



## FAX COVER PAGE

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TO:	Mr. Dana Witt
TITLE:	Controller
FAX #:	519-631-5193
PHONE#:	519-631-5550
Re:	St. Thomas Energy Inc.

FROM:	Fabian Balanathan
	Corporations Tax Unit
FAX#:	(416) 730-5575
PHONE#:	(416) 730-5507
DATE:	September 27, 2006

# of pages 3 (including this cover page)

### MESSAGE

Hi Dana,

Please complete the attached forms relating to waiving the time limit. The completion and submission of this form to the Ministry of Finance will keep 2001 taxation year open.

If you have any questions please call me.

Regards,

Fabian Balanathan  
Corporations Tax Auditor  
Toronto Tax Office



Ontario Ministry of Finance

Corporations Tax

P.O. Box 622

33 King Street West

Oshawa ON L1H 8H6

## Waiver of Time Limit for Issuing Reassessments

## Electricity Act, 1998

For use by corporations to waive the time limit within which the Minister may assess, reassess, or make additional assessments under the Electricity Act, 1998.

Two completed copies of this waiver are to be sent to the Minister of Finance, Ministry of Finance, Corporations Tax Branch, P.O. Box 622, 33 King Street West, Oshawa, ON L1H 8H6, within the time limit specified in clause 80(11)(c) of the Corporations Tax Act, as made applicable by subsection 95(1) of the Electricity Act, 1998.

For a waiver to be valid the income tax and/or capital tax matter(s) for which the time limit is waived must be specified in the space provided. The waiver will automatically apply to any matter(s) that are consequential to any specified matter(s).

This is a permanent waiver with respect to the herein specified matter(s). A waiver which stipulates a time limit will not be accepted.

This waiver may be revoked under clause 80(12)(a) of the Corporations Tax Act, as made applicable by subsection 95(1) of the Electricity Act, 1998.

St. Thomas Energy Inc.

Name of Corporation

135 Edward St. St. Thomas Ontario N5P4A8

Give full address including City, Municipality, County and Province

Account Number		Taxation year to which this waiver applies	Month	Year
	1800198			2001

## Waiver

The time limit referred to in subsection 80(11) of the Corporations Tax Act, as made applicable by subsection 95(1) of the Electricity Act, 1998, within which the Minister of Finance may reassess or make additional assessments, or assess tax, interest or penalties under the Act, is hereby waived for the taxation year indicated above, in respect of:

Tax Deductibility of  
Interest Expense on Promissory Note to the City of St.  
Thomas and as per Schedule "A" attached.

Name (please print) <u>Dana A. Witt</u>	Position or Office <u>Manager of Finance</u>	
Signature <u>Dana A. Witt</u>	Date <u>Sept 27, 2006</u>	Date received by the Ministry of Finance

### Schedule "A"

#### Attachment to Waiver of Time Limit for Issuing Reassessments

Any and all amounts or balances used to calculate Payments in lieu of federal corporate tax and payments in lieu of provincial corporate tax per subsections 93(1) and 93(2) respectively of the Electricity Act, 1998, including, but not limited to the following:

any and all amounts or balances used to calculate a) the corporation's income, taxable income/(loss), b) the corporation's net income, net loss, adjusted net income, adjusted net loss, c) the corporation's paid-up capital, taxable paid-up capital, taxable capital, d) any amount, other than an amount referred to herein payable by or refundable to the corporation under the Electricity Act, 1998 or that is relevant for the purposes of determining any other amount referred to herein.

## **Exhibit 5**

---

### **Tab 3 of 3**

### **Other Attachments**

St. Thomas Energy Inc.

EB-2011-0196

Filed: January 23, 2012

Exhibit 5

Tab3

Schedule 1

Attachment1

Attachment 1 of 1

MOF Special Purpose Charge Invoice Payment



ST. Thomas Energy Inc.

VENDOR NO.  
MIN001VENDOR NAME  
MINISTER OF FINANCE

7254

TRANSACTION DATE	REFERENCE	GROSS AMOUNT	DEDUCTION	NET AMOUNT
JUL 01 2010	50066	131141.00	0.00	131141.00
CHEQUE DATE	CHEQUE NO.	TOTAL GROSS	TOTAL DEDUCTIONS	CHEQUE AMOUNT
JUL 14 2010	7254	131141.00	0.00	131141.00

ST. Thomas Energy Inc.  
135 Edward Street, St. Thomas, ON N5P 4A8  
Ph: (519) 631-5550 \* Fx: (519) 631-4771

The Bank of Nova Scotia  
472 Talbot Street  
St. Thomas, ON

7254

DATE 0 7 1 4 2 0 1 0  
M M D D Y Y Y Y

\$ 131,141.00

PAY ONE HUNDRED THIRTY-ONE THOUSAND ONE HUNDRED FORTY-ONE DOLLARS 00/

TO THE  
ORDER  
OF  
MINISTER OF FINANCE  
PAYMENT PROCESSING CENTRE  
33 KING ST W PO BOX 647  
OSHAWA, ON  
L1H 8X3

**Revised Invoice**

Ministry of Energy and Infrastructure  
Conservation and Renewable Energy Program Costs

To: St. Thomas Energy Inc. - Pay out of Energy Company  
135 Edward Street  
St. Thomas, ON N5P 4A8  
Attn: Brian Hollywood, President & CEO

**Item Description:**

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.

Quote-part pour les coûts des programme de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

Customer No./No du client 472776
Customer Site No./ N° d'emplacement du client 1061050
Invoice Date/Date de la facture  April 16, 2010
Invoice No./ N° de la facture 50066
Due Date/ Date d'échéance  July 30, 2010
Payment Amount/ Montant remis  CAD \$ 131,141

Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.

This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27<sup>th</sup> Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27<sup>e</sup> étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.

Payments are to be made to the Minister of Finance not the Ontario Energy Board.  
Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.



Ontario Energy  
Board  
P.O. Box 2319  
27th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

Commission de l'énergie  
de l'Ontario  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone; 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



**VIA EMAIL and Mail**

April 16, 2010

**TO: Licensed Electricity Distributors**

**RE: Revised Invoice - "Special Purpose Charge" Assessment under Section 26.1 of the Ontario Energy Board Act, 1998 for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs**

The Ontario Energy Board recently sent distributors an invoice reflecting the assessment under Section 26.1 of the Ontario Energy Board Act. That invoice, dated April 15, 2010, is in error and should be disregarded. The attached invoice, dated April 16, 2010, is the correct version.

We apologize for any confusion caused by this error.

Any questions regarding the attached revised invoice, other than in relation to payment, should be directed to the Market Operations Hotline at 416-440-7604 or by e-mail at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca). The Board's toll free number is 1-888-632-6273.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

Attachments: Revised Invoice - Assessment for Ministry of Energy and Infrastructure

